

## **BUSINESS POLICIES**

### **Directions/Guidelines Applicable**

RBI/DNBR/2016-17/44. Master Direction DNBR.PD.007/03.10.119/2016-17 dated September 01, 2016 [(Updated as on August 29, 2023\*) (Updated as on June 20, 2023\*) (Updated as on December 29, 2022\*) (Updated as on September 29, 2022\*) (Updated as on July 22, 2022\*) (Updated as on June 14, 2022\*) (Updated as on May 02, 2022\*) (Updated as on April 01, 2022\*) (Updated as on March 03, 2022\*) (Updated as on February 17, 2020\*) (Updated as on November 22, 2019\*) (Updated as on August 02, 2019\*) (Updated as on February 22, 2019\*) (Updated as on May 31, 2018\*) (Updated as on February 23, 2018\*) (Updated as on November 09, 2017\*) (Updated as on March 09, 2017\*) (Updated as on March 02, 2017\*) (Updated as on February 02, 2017\*) (Updated as on October 17, 2016\*)] & RBI/DoR/2023-24/106. DoR.FIN.REC. No.45/03.10.119/2023-24. October 19, 2024 (Updated as on October 10, 2024) (Updated as on March 21, 2024) (Updated as on November 10, 2023)



**CIN: U65921KL1987PLC004741**

**13/1528, FIRST FLOOR, ANJALI COMPLEX KAVUVATTOM, PALAKKAD,  
CHERPULASSERY, KERALA, INDIA, 679503**

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**A)**  
**Applicable Regulation** : RBI/2011-12/470 DNBS.CC. PD. No.266 /03.10.01/2011-12 dated 26<sup>th</sup> March 2012  
**Company Name** : VIKAS MONEY LIMITED  
**CIN** : U65921KL1987PLC004741  
**Applicability** : Registered Office & Branch offices of the company in Kerala

**B ) ലക്ഷ്യങ്ങൾ**

FPC യുടെ ലക്ഷ്യങ്ങൾ താഴെ പറയും പ്രകാരമാണ്.

- i) ഉപഭോക്താക്കളുമായി ഇടപെടുമ്പോൾ മികച്ച നടപടി സ്വീകരിക്കുക.
- ii) വെല്ലുവിളിയുയർത്തുന്ന ലക്ഷ്യങ്ങൾ വയ്ക്കുകയും ഉയർന്ന പ്രവർത്തന നിലവാരം കൈവരിക്കുകയും ചെയ്ത് ഉപഭോക്തൃ സംതൃപ്തി ഉറപ്പാക്കുക.
- iii) വ്യാപാരത്തിൽ ഏർപ്പെടുമ്പോൾ സുതാര്യവും ന്യായവും നീതിശാസ്ത്രാനുസാരിയായതും സമർത്ഥിക്കാവുന്നതുമായ നടപടി പിന്തുടരുക.
- iv) ഉപഭോക്താവിന് /ഭാവി ഉപഭോക്താക്കൾക്ക് ആവശ്യമായ എല്ലാ വിവരങ്ങളും വിവരണങ്ങളും നൽകുകയും പരസ്യ സഹായക പൂർണ്ണമായ ദീർഘകാല ബന്ധം വളർത്തിയെടുക്കുകയും ചെയ്യുക.
- v) നിരന്തരമായി വളർന്നുകൊണ്ടിരിക്കുന്ന സംതൃപ്തരായ ഉപഭോക്താക്കളുടെ അടിസ്ഥാന കെട്ടിപ്പടുക്കുക അതേസമയം സംശയകരമായ സാക്ഷ്യപത്രങ്ങളോ ക്രിമിനൽ പശ്ചാത്തലമോ ഉള്ള ഉപഭോക്താക്കളെ എടുക്കുന്നത് ഒഴിവാക്കുകയും ചെയ്യുക.

**C ) സത്യവാങ്മൂലവും പ്രതിജ്ഞാബദ്ധതയും**

- i) ആർ ബി ഐ, എസ് ഇ ബി ഐ, ഐ ആർ ഡി എ, സർക്കാർ, പ്രാദേശിക ഭരണകൂടങ്ങൾ മുതലായ സ്ഥാപനങ്ങൾ പുറപ്പെടുവിക്കുന്ന നിയമങ്ങൾ, ചട്ടങ്ങൾ, മാർഗ്ഗനിർദ്ദേശങ്ങൾ എന്നിവ പാലിക്കുന്നതാണെന്ന് ഉറപ്പ് തരണം.
- ii) കഴിവുറ്റതും മികച്ചതും കൃതാർത്ഥവുമായ സേവനങ്ങൾ വഴി ഉപഭോക്താക്കൾക്ക് സംതൃപ്തമായ സേവനം കമ്പനിയുടെ എല്ലാ ഓഫീസുകളിലും കമ്പനി ഉറപ്പ് വരുത്തുന്നതാണ്.
- iii) കമ്പനിക്കുള്ളിൽ തന്നെ ലക്ഷ്യങ്ങൾ ഉന്നമിടുകയും അവ നടപ്പിലാക്കാനും മെച്ചപ്പെടുത്താനും നിരന്തരമായി ശ്രമിക്കുകയും ചെയ്യും. ഇപ്രകാരം, വ്യവസായത്തിൽ നിലനിൽക്കുന്ന നിലവാരത്തിനപ്പുറം പോകാൻ സാധിക്കും.
- iv) മതം, ജാതി, ലിംഗം, ഭാഷ എന്നീ കാര്യങ്ങളിന്മേൽ ഉപഭോക്താക്കളോട് വേർതിരിവ് കാണിക്കുകയില്ലെന്ന് കമ്പനി ഉറപ്പുനൽകുന്നു.
- v) ഉപഭോക്താവിനും/ഭാവി ഉപഭോക്താക്കൾക്കും കമ്പനിയുടെ ഉൽപ്പന്നങ്ങളെയും സേവനങ്ങളെയും സംബന്ധിച്ച് കമ്പനി പൂർണ്ണവും വ്യക്തവുമായ എല്ലാ വിവരങ്ങളും നൽകുന്നതായിരിക്കും. അതോടൊപ്പം തന്നെ ഭാവിയിൽ തെറ്റിദ്ധാരണ പരത്തുന്നതോ തെറ്റിധരിപ്പിക്കുന്നതോ ആയ പരസ്യങ്ങളോ മാധ്യമ പ്രസിദ്ധീകരണങ്ങളോ യാതൊന്നും തന്നെ കമ്പനി അവലംബിക്കുന്നതല്ല.
- vi) ഒളിഞ്ഞിരിക്കുന്ന ചാർജ്ജുകൾ അഥവാ സുതാര്യതയില്ലായ്മയുടെ ഘടകങ്ങൾ ഉള്ള ഉല്പന്നങ്ങൾ/സേവനങ്ങൾ അവതരിപ്പിക്കുന്നത് ഒഴിവാക്കുമെന്ന് കമ്പനി ഉറപ്പുനൽകുന്നു.
- vii) എല്ലാ ഉപഭോക്താക്കളോടും കമ്പനി പ്രാദേശിക ഭാഷയിൽ ആശയവിനിമയം നടത്തുകയും ഉപഭോക്താവ് ആവശ്യപ്പെട്ടാൽ മാത്രം ഈ ഗ്ലിഷിലും ആശയവിനിമയം നടത്തുന്നതുമാണ്.
- viii) ഉപഭോക്താവ് പണയം വെച്ചിരിക്കുന്ന ഉരുപ്പടി സുരക്ഷിതവും ഭദ്രവുമാക്കി വയ്ക്കാൻ കമ്പനി സാധ്യമായതും യുക്തിപൂർവ്വവുമായ നടപടികൾ എടുക്കുന്നതാണ്. കമ്പനിയുടെ കസ്റ്റഡിയിൽ ഇരിക്കുമ്പോൾ ഉരുപ്പടിക്ക് സംഭവിക്കാവുന്ന സാഹചര്യപരമോ സൂക്ഷ്മതാക്കുറവുമുലമോ വഞ്ചനമുലമോ ആയ നഷ്ടങ്ങൾക്കു നഷ്ടപരിഹാരം നൽകുന്നതാണെന്ന് ഉറപ്പുനൽകുന്നു.
- ix) ഇടപാട് നടത്തുന്ന ഉപഭോക്താവ് ശ്രദ്ധയില്ലായ്മ മൂലമോ എഴുതുമ്പോൾ വരുന്ന തെറ്റ് മൂലമോ വരുത്തുന്ന കാര്യങ്ങൾ മുതലെടുപ്പിനായി ഉപയോഗിക്കില്ലെന്ന് കമ്പനി ഉറപ്പുനൽകുന്നു.
- x) ഉപഭോക്താക്കളുടെ പരാതികളും നിർദ്ദേശങ്ങളും എത്രയും വേഗം പരിഹരിക്കുന്നതിനായി പടിപടിയായി ഉയർന്ന നിലയിൽ പരിഹാരം തേടാനുള്ള സാധ്യതയോട് കൂടിയ സുസ്ഥാപിതമായ പരാതി പരിഹാര പ്രക്രിയ സ്ഥാപിക്കുന്നതിന് കമ്പനി പ്രതിജ്ഞാബദ്ധമാണ്.
- xi) കമ്പനി FPC (Fair Practice Code) സ്വന്തം വെബ്സൈറ്റിൽ പ്രദർശിപ്പിക്കും. ഉപഭോക്താവ് ആവശ്യപ്പെടുകയാണെങ്കിൽ FPC യുടെ ഒരു പകർപ്പ് നൽകും.

**D ) നല്ല പ്രവർത്തന ചട്ടങ്ങൾ**

**I ) വായ്പകൾ, വായ്പാ വ്യവസ്ഥകൾ, പലിശ നിരക്ക് മറ്റു നിരക്കുകൾ എന്നിവ**

- i) വായ്പ എടുക്കുവാൻ വരുന്ന ഇടപാടുകൾക്ക് അതതു ബ്രാഞ്ചുകളിൽനിന്നും തുക ഈടാക്കാതെ തന്നെ വായ്പാ അപേക്ഷയോടൊപ്പം ബോധിപ്പിക്കേണ്ടതായ രേഖകൾ ഏതെന്ന് സൂചിപ്പിക്കുക കൂടി ചെയ്യുന്ന പൂർണ്ണതയോട് കൂടി ലഭിച്ചിട്ടുള്ള വായ്പാ അപേക്ഷയുടെ രസീതുകൾ ഉടൻ തന്നെ ഉപഭോക്താക്കൾക്ക് നൽകുന്നതാണ്. കമ്പനിയുടെ സേവന വ്യവസ്ഥകളെ അടിസ്ഥാനപ്പെടുത്തി വായ്പാ അപേക്ഷകൾ ഉടൻ തന്നെ അനുവദിക്കുകയോ തള്ളുകയോ ചെയ്യുന്നതാണ്. വായ്പാ തുക ലഭ്യമാക്കുന്നതും അതിനുവേണ്ട സെക്യൂരിറ്റി സ്വീകരിക്കുന്നതും ഏകദേശം ഒരേ സമയത്തായിരിക്കും.
- ii) എല്ലാ വിവരങ്ങളും അറിഞ്ഞുകൊണ്ട് തന്നെ തീരുമാനം എടുക്കുന്നതിന് സഹായകമാകത്തക്കവിധം വായ്പയുമായി ബന്ധപ്പെട്ട ലഭ്യമാകുന്ന തുക, പലിശനിരക്ക്, മറ്റു ചിലവുകൾ, പിഴ പലിശ, പലിശ കണക്കാക്കുന്ന രീതി, പലിശയിലുള്ള കിഴിവ് എന്നിവ വായ്പ അനുവദിക്കുന്നതിന് മുമ്പായി ഉപഭോക്താവിനോട്/ഭാവി ഉപഭോക്താവിനോട് വെളിപ്പെടുത്തുന്നതാണ്. ഉപഭോക്താവ്/ഭാവി ഉപഭോക്താവ് ആവശ്യപ്പെടുന്ന പക്ഷം വായ്പ അനുവദിക്കുന്നതിന് മുമ്പ് തന്നെ വായ്പാ വ്യവസ്ഥകൾ ലഭ്യമാക്കുന്നതാണ്.
- iii) പ്രാദേശിക ഭാഷയിലോ ഉപഭോക്താവിന് മനസ്സിലാകുന്ന മറ്റേതെങ്കിലും ഭാഷയിലോ ലോൺ സൗകര്യത്തെ സംബന്ധിക്കുന്ന നിബന്ധനകളും വ്യവസ്ഥകളും അടങ്ങിയ വായ്പാ അനുമതി പത്രം (പണയ ടിക്കറ്റ്) ഉപഭോക്താവിന് നൽകുന്നുവെന്ന് കമ്പനി ഉറപ്പുവരുത്തണം. വായ്പാ തുക, വായ്പാ അക്കൗണ്ട് നമ്പർ, പലിശ നിരക്ക്, ചാർജ്ജുകൾ, വായ്പാ നടപടി പ്രക്രിയ ഫീസ് തുടങ്ങിയ വിവരങ്ങൾ വായ്പാ അനുമതി



പത്രത്തിൽ (പണയ ടിക്കറ്റ്) ഉണ്ടായിരിക്കണം. കമ്പനിയുടെ അംഗീകൃത ഉദ്യോഗസ്ഥന്റെ ഒപ്പോടു കൂടിയ വായ്പാ അനുമതി പത്രം (പണയ ടിക്കറ്റ്) ഉപഭോക്താക്കൾക്ക് സൗകര്യപ്പെടുത്തേണ്ടതാണ്. കമ്പനിയുടെ ഉദ്യോഗസ്ഥൻ (സർവ്വന്റ്) കടമ വഹിച്ച് ഉടിയായിരിക്കണം.

iv) പലിശനിരക്ക് ഉൾപ്പെടെയുള്ള വ്യവസ്ഥകളുടെയും നിബന്ധനകളുടെയും കാര്യത്തിൽ സാധാരണയായി കമ്പനി യാതൊരു തരത്തിലുള്ള മാറ്റങ്ങളും/ഭേദഗതികളും വരുത്താറില്ല. ഉപഭോക്താക്കളെ സാമ്പത്തികമായോ അല്ലാതെയോ ദോഷകരമായി ബാധിക്കും എന്നതിനാലാണ്. അസാധാരണ സാഹചര്യങ്ങളിൽ അത്തരം മാറ്റങ്ങൾ/ഭേദഗതികൾ അനിവാര്യമായി വരികയാണെങ്കിൽ പുതിയ സാഹചര്യങ്ങൾ കണക്കിലെടുത്തുകൊണ്ട് അത്തരം മാറ്റങ്ങളെക്കുറിച്ച്/ഭേദഗതികളെക്കുറിച്ച് ഉപഭോക്താവിന് മതിയായതും ശരിയായ രീതിയിലുള്ളതുമായ നോട്ടീസ് നൽകുന്നതാണ്.

**II) വിപണനവും പ്രചാരണോപാധികളും**

i) ഉപഭോക്താവ് വെളിപ്പെടുത്തിയ ആവശ്യങ്ങൾക്കും പ്രതീക്ഷകൾക്കും എതിരായി മനഃപൂർവ്വമോ ഏതെങ്കിലും ഗുരു ഉദ്ദേശത്തോടെ സാർവ്വതീകൃതമായോ കമ്പനി മനഃപൂർവ്വമായി യാതൊരു ഉൽപ്പന്നത്തെയും പരിപോഷിപ്പിക്കുന്നതല്ല. വിപണനവും നടത്തിപ്പുമായി ബന്ധപ്പെട്ട ഉദ്യോഗസ്ഥന്മാർക്ക് ഇക്കാര്യത്തിൽ ഉചിതമായ പരിശീലനങ്ങളും നിർദ്ദേശങ്ങളും കമ്പനി നൽകുന്നതും അതുവഴി ഉപഭോക്താക്കൾക്ക് തെറ്റിദ്ധാരണ ഉണ്ടാക്കി വിപണനം നടത്തില്ലെന്ന് കമ്പനി ഉറപ്പാക്കുകയും ചെയ്യും.

ii) ലോണിൻമേലുള്ള പലിശയ്ക്ക് കമ്പനി, കൊള്ളപ്പലിശ ഈടാക്കി ലാഭം കൊയ്യുകയോ മാർക്കറ്റിലെ വിപരീത സാഹചര്യങ്ങൾ മുതലെടുക്കുകയോ ചെയ്യുന്നതല്ല. വായ്പയ്ക്ക് ഈടാക്കുന്ന പലിശനിരക്ക് ഫണ്ടിന്റെ ചിലവ്, റിസ്ക് പ്രീമിയം, വായ്പ, സ്കീം ഗ്രാമിന്റെ മുക്തിയിൽ നൽകുന്ന വായ്പ, ലാഭത്തിന്റെ മാർജിൻ മുതലായ മാറാവുന്ന കാര്യങ്ങളിൽ അധിഷ്ഠിതമായിരിക്കും. പലിശനിരക്ക് കാലാകാലങ്ങളിൽ നിലനിൽക്കുന്ന റെഗുലേറ്ററി മാർഗ്ഗ നിർദ്ദേശങ്ങൾ, കമ്പനിയുടെ പലിശനിരക്കിലുള്ള പോളിസി എന്നിവയ്ക്ക് അനുസൃതമായിരിക്കണം. ഇൻഡസ്ട്രിയലിലെ രീതികൾ, ലക്ഷ്യങ്ങൾ, എന്നിവയ്ക്ക് അനുസരിച്ചും ആയിരിക്കണം ഇത്.

iii) വായ്പ സ്കീമുകൾ, പലിശ നിരക്കുകൾ, ഓരോ ഗ്രാമിനും ലഭിക്കുന്ന വായ്പ, ചാർജ്ജുകൾ തുടങ്ങിയവയെ സംബന്ധിച്ച് പൂർണ്ണവും പുതുക്കിയതുമായ വിവരങ്ങൾ കമ്പനിയുടെ വെബ്സൈറ്റിൽ പ്രസിദ്ധീകരിക്കുന്നതാണ്. ഇവ ബ്രാഞ്ചുകളിലും പ്രദർശിപ്പിക്കും. കാലാകാലങ്ങളിൽ കമ്പനിയുടെ മാനേജ്മെന്റ് എടുക്കുന്ന തീരുമാനങ്ങളെ അടിസ്ഥാനമാക്കി വിവിധ മിഡിയ ചാനലുകൾ, പോസ്റ്ററുകൾ, ബ്രോഷറുകൾ, നോട്ടീസുകൾ, ഡിസ്പ്ലേ എന്നിവയിലൂടെയും പൂർണ്ണമായതോ തിരഞ്ഞെടുത്തതോ ആയ വിവരങ്ങൾ ലഭ്യമാക്കുന്നതാണ്.

**III) ക്വട്ടേഷൻ, ഈടാക്കൽ, സെക്യൂരിറ്റി വസ്തുക്കൾ തിരികെ കൊടുക്കലും മറ്റു ബാധ്യതകൾക്കായി തടഞ്ഞു വയ്ക്കലും**

i) നല്ല പ്രവർത്തന ചട്ടം എന്ന നിലയിൽ അപ്രതീക്ഷിതമോ, അസാധാരണ സാഹചര്യങ്ങളിലോ, കമ്പനി താല്പര്യങ്ങളെ പ്രതികൂലമായി ബാധിക്കുന്ന സമയത്തോ, അല്ലാതെ യാതൊരു കാരണവശാലും കമ്പനി നൽകിയ വായ്പാ തുക മുൻധാരണ പ്രകാരം നിശ്ചയിച്ചിട്ടുള്ള കാലാവധിക്ക് മുമ്പ് തിരികെ ആവശ്യപ്പെടുന്നതല്ല. ഉദാഹരണമായി, സെക്യൂരിറ്റി മൂലം കാര്യമായി കുറഞ്ഞു പോകുന്നതോ, സർവ്വന്റിന്റെ പരിശുദ്ധി അസ്വീകാര്യമാണെന്നു കാണുകയോ, സർക്കാരിന്റെയോ, മറ്റു നിയന്ത്രണ സംവിധാനങ്ങളുടെയോ നിർദ്ദേശം മൂലമോ മറ്റുമാണ് ഇത്തരം സന്ദർഭങ്ങൾ ഉണ്ടാകുന്നത്. സ്വാഭാവിക കാലാവധിക്ക് മുമ്പ് വായ്പാ തുക ആവശ്യപ്പെടുന്ന സന്ദർഭങ്ങളിൽ മതിയായതും യുക്തിസഹജമായതുമായ നോട്ടീസ് ഉപഭോക്താവിന് നൽകിയിരിക്കും.

ii) പണയ ഉറപ്പിടി വിറ്റഴിക്കാതെ തന്നെ ഉപഭോക്താവിനെ ക്വട്ടേഷൻ തിരിച്ചടയ്ക്കാൻ പ്രേരിപ്പിക്കുന്ന തരത്തിൽ മുഴുവനായതോ പ്രാദേശികപുരസ്കാരങ്ങളോ ആയ ശ്രമങ്ങൾ കമ്പനി നടത്തും. ക്വട്ടേഷൻ പിരിച്ചടയ്ക്കാനായി കഠിനമായതോ നിർബന്ധപൂർവ്വമായതോ ആയ നടപടികൾ കമ്പനി സ്വീകരിക്കുന്നതല്ല.

iii) ലോൺ അനുവദിച്ച സമയത്ത് ഉണ്ടായിരുന്ന അതേ അവസ്ഥയിൽ തന്നെ ലോൺ തിരിച്ചടയ്ക്കുമ്പോൾ കമ്പനി ഉപഭോക്താവിന് പണയ ഉറപ്പിടി (സർവ്വന്റ്) തിരിച്ചു നൽകും. ജീവനക്കാർ കൈകാര്യം ചെയ്യുമ്പോഴുണ്ടാകുന്ന തകരാറുമൂലം പണയ ഉറപ്പിടി (സർവ്വന്റ്) ക്ക് എന്തെങ്കിലും കേടുപാടുകൾ സംഭവിച്ചാൽ ഓരോ കേസിലെയും അടിസ്ഥാനമാക്കി കമ്പനി സ്വന്തം ചിലവിൽ കേടുപാടുകൾ തീർത്തുകൊടുക്കുകയോ അല്ലെങ്കിൽ ഉപഭോക്താവിന് ന്യായമായ നഷ്ടപരിഹാരം നൽകുകയോ ചെയ്യും. കമ്പനിയുടെ കസ്റ്റഡിയിൽ വരുന്നതിനു മുമ്പ് വായ്പ അനുവദിക്കുന്ന സമയത്ത് പണയ ഉറപ്പിടിക്ക് (സർവ്വന്റ്) തകരാർ ഉണ്ടാകാതെ ഇക്കാര്യം അനുമതി പത്രത്തിൽ (പണയ ടിക്കറ്റ്) കാണിച്ചിരിക്കും.

iv) വായ്പ ഇടപാട് അവസാനിപ്പിക്കുന്ന സന്ദർഭത്തിൽ ഏതു സമയത്തും, അധിക പണത്തിന്മേലോ ഈടാക്കലോ നിയമപരമായ അവകാശം കമ്പനിയ്ക്ക് ഉണ്ടായിരിക്കുന്നതാണ് അങ്ങനെ കമ്പനിക്കുള്ള അവകാശം, ഉപഭോക്താവ് എന്ന നിലയിലോ ജാമ്യക്കാരൻ എന്ന നിലയിലോ ക്വട്ടേഷൻ ഉണ്ടാകുന്ന സന്ദർഭത്തിൽ മാത്രം കമ്പനിയ്ക്ക് ഉണ്ടായിരിക്കുന്നതും ഉപഭോക്താവിനെ രേഖാമൂലം വ്യക്തമായ രീതിയിൽ അറിയിച്ച ശേഷം മാത്രം അവകാശം സ്ഥാപിക്കുന്നതാണ്.

v) ഏത് തുക അടയ്ക്കുമ്പോഴും ഉടൻ തന്നെ ഒപ്പിട്ട രസീതി നൽകുന്നതും അത് സാധാരണ നിലയിൽ കമ്പ്യൂട്ടർ തയ്യാറാക്കിയ രസീത് ആയിരിക്കുന്നതാണ്. ചെക്കോ, ഡ്രാഫ്റ്റ്, ഇലക്ട്രോണിക് ട്രാൻസ്ഫെറോ ആയി കമ്പനി തുക സ്വീകരിക്കുന്നതായിരിക്കും. എന്നാൽ അത്തരം സന്ദർഭങ്ങളിൽ തുക കമ്പനിയിൽ എത്തി എന്ന് ഉറപ്പാക്കിയ ശേഷം മാത്രം ജാമ്യവസ്തു (സർവ്വന്റ്) തിരികെ കൊടുക്കുന്നതാണ്.

vi) വായ്പ അനുമതി പത്രത്തിൽ (പണയ ടിക്കറ്റ്) വായ്പയുടെ ബാധകമായ എല്ലാ നിബന്ധനകളും അടങ്ങിയിരിക്കുന്നുവെങ്കിലും പലിശ, മുതൽ എന്നിവ തിരിച്ചടയ്ക്കേണ്ട തീയതിയെക്കുറിച്ച് അറിയിക്കാനായി കമ്പനി ഉപദേശങ്ങൾ, റിമൈൻഡറുകൾ എന്നിവ അയയ്ക്കാനായി ശ്രദ്ധ ചെലുത്തുന്നതാണ്. കത്തുകൾ, കൊറിയർ സർവ്വീസ്, ടെലിഫോൺ, എസ്.എം.എസ് എന്നിവ വഴിയാണ് ഇത് അയയ്ക്കുക.

vii) ലോൺ നിലവിലിരിക്കുന്ന സമയത്തോ അത് ക്ലോസ് ചെയ്യുമ്പോഴോ, ഉപഭോക്താവോ അദ്ദേഹം അധികാരപ്പെടുത്തിയ പ്രതിനിധിയോ ആവശ്യപ്പെടുകയാണെങ്കിൽ ലോണിന്റെ സ്റ്റേറ്റ്മെന്റ് നൽകുന്നതാണ്. അക്കൗണ്ട് ക്ലോസ് ചെയ്ത് 30 കലണ്ടർ ദിവസങ്ങൾക്കുശേഷമാണ് അത്തരം ആവശ്യങ്ങൾ ഉന്നയിക്കുന്നതെങ്കിൽ കമ്പനിയുടെ വിവേചനാധികാരം ഉപയോഗപ്പെടുത്തി ന്യായമായ പ്രോസസിംഗ് ചാർജ്ജുകൾ ഈടാക്കാവുന്നതാണ്.

viii) ഏറ്റവും അവസാന മാർഗ്ഗം എന്ന നിലയിൽ മാത്രമേ കമ്പനി പണയ ഉറപ്പിടി (സർവ്വന്റ്) വിൽക്കുകയുള്ളൂ. അതും, ക്വട്ടേഷനുകൾ തിരിച്ചടയ്ക്കാനായി ആവശ്യത്തിന് മുന്നറിയിപ്പ് നൽകിയതിനു ശേഷം മാത്രം. അത്തരം മുന്നറിയിപ്പ് അനുമതി പത്രത്തിൽ (പണയ ടിക്കറ്റ്) പറഞ്ഞിരിക്കുന്ന നിബന്ധനകളും വ്യവസ്ഥകളും പ്രകാരമായിരിക്കും. കൂടാതെ ബാധകമായ നിയമങ്ങളും റെഗുലേറ്ററി മാർഗ്ഗനിർദ്ദേശങ്ങളും അനുസരിച്ചായിരിക്കും. പണയ ഉറപ്പിടി (സർവ്വന്റ്) വിൽക്കുന്നത് പൊതു ലേലത്തിലൂടെയായിരിക്കും. പലിശയും മറ്റു ചാർജ്ജുകളുമടക്കം ലോൺ അക്കൗണ്ട് ക്ലോസ് ചെയ്യുവാനായി കമ്പനി അറിയിപ്പ് നൽകിയിട്ടും ഉപഭോക്താവ് വേണ്ടരീതിയിൽ പ്രതികരിക്കാത്തതിനാലാണ് ഇപ്രകാരം ചെയ്യുക.

ix) വായ്പ അപേക്ഷയിലും വായ്പ അനുമതി പത്രത്തിലും (പണയ ടിക്കറ്റ്) കമ്പനിയുടെ മേൽ ചുമത്തപ്പെട്ട അധികാരങ്ങൾ ഉപയോഗിച്ച് സാധാരണ കാലയളവിനും മുമ്പ് സെക്യൂരിറ്റി വിറ്റഴിക്കാൻ തീരുമാനിക്കപ്പെടുന്ന പക്ഷം, ക്വട്ടേഷൻ ഈടാക്കാൻ ആരംഭിക്കുന്നതിനു മുമ്പുതന്നെ മതിയായ മുന്നറിയിപ്പ് ഉപഭോക്താവിന് നൽകുന്നതാണ്.

x) എല്ലാ ക്വട്ടേഷനും പൂർണ്ണമായും തീർത്തു കഴിഞ്ഞാലുടനെ ഉപഭോക്താവ് സെക്യൂരിറ്റി തിരിച്ചടയ്ക്കണമെന്നാണ് കമ്പനി ആഗ്രഹിക്കുന്നതും അതാണ് പ്രോത്സാഹിപ്പിക്കുന്നതും. എന്നിരുന്നാലും ചില അത്യപൂർവ്വ സാഹചര്യങ്ങളിൽ വായ്പ അടച്ചു തീർന്നാലും കമ്പനിയുടെ തകരാറുമൂലമല്ലാതെ തന്നെ പണയ ഉറപ്പിടി (സർവ്വന്റ്) തിരിച്ചടയ്ക്കാൻ ഉപഭോക്താവിന് കഴിയാതെ വരാം. അത്തരം സാഹചര്യങ്ങളിൽ ന്യായമായ സുരക്ഷിത കസ്റ്റഡി ചാർജ്ജ് ഈടാക്കുന്നതാണ്. ഇത് ഉപഭോക്താക്കളെ യഥാസമയം അറിയിക്കുകയും ബ്രാഞ്ച് പരിസരത്തും



കമ്പനിയുടെ വെബ്സൈറ്റിലും പ്രദർശിപ്പിക്കുകയും ചെയ്യുന്നതാണ്.

xi) വായ്പയെ സംബന്ധിച്ച വ്യവസ്ഥകളെയും നിബന്ധനകളെയും സംബന്ധിച്ച കാര്യങ്ങൾക്കല്ലാതെ ഉപഭോക്താവിന്റെ കാര്യങ്ങളിൽ കമ്പനി ഇടപെടുന്നതല്ലെന്നും, എന്നാൽ ഇടപാട് സമയത്ത് ഉപഭോക്താവ് നൽകിയ വിവരങ്ങളും വെളിപ്പെടുത്തലുകളും മതിയായതല്ലാത്തതും കളവാ യതമാണ് എങ്കിൽ ആയതിന് നിർബന്ധിതനായേക്കാവുന്നതുമാണ്.

**IV ) ഉപഭോക്താക്കൾക്കുള്ള സേവനവും പരാതി പരിഹാരവും**

i) ഉപഭോക്താക്കളുടെ പരാതികളും ആവലാതികളും പരമാവധി കുറയ്ക്കുന്നതിനും ഒഴിവാക്കുന്നതിനും ആവശ്യമായ നടപടികൾ കമ്പനി നടപ്പാ ക്കുന്നതാണ്.

ii) ഈടായി വെച്ചിട്ടുള്ള ഉരുപ്പികൾ വായ്പ അനുവദിച്ച ബ്രാഞ്ചിൽ നിന്ന് മാത്രമേ തിരിച്ചെടുക്കാൻ കഴിയുകയുള്ളൂ എന്ന നിബന്ധനയോടെ വായ്പാ തുക മുഴുവനായോ ഭാഗികമായോ കമ്പനിയുടെ ഏത് ശാഖകളിലും അടയ്ക്കുന്നതിന് ഉപഭോക്താവിന് സൗകര്യം ഉണ്ടായിരിക്കുന്നതാ ണ്.

iii) ഫലപ്രദമായ ഉപഭോക്താവ് പരാതി പരിഹാര സംവിധാനം കമ്പനി നടപ്പിലാക്കുന്നതാണ്. ഇതിന്റെ വിശദവിവരങ്ങൾ വെബ്സൈറ്റിലും എല്ലാ ശാഖകളിലും പ്രദർശിപ്പിക്കുന്നതാണ്. ഈ സംവിധാനത്തിൽ പരാതി രജിസ്റ്റർ ചെയ്യാവുന്ന ഉദ്യോഗസ്ഥരുടെ പേരുകൾ, തപാൽ മേ ൽവിലാസം, ടെലിഫോൺ നമ്പറുകൾ, ഇ-മെയിൽ വിലാസം, എസ്കലേഷൻ മാട്രിക്സ്, പരാതി ലഭിച്ചതായി അറിയിപ്പ് നൽകേണ്ട സമ യപരിധി, പരാതി കൈകാര്യം ചെയ്യുവാനുള്ള സമയപരിധി തുടങ്ങിയവ വിശദമായി പ്രദർശിപ്പിക്കുന്നതാണ്. ബിസിനസ്സ് ഇടപാടുകൾ നടക്കു ന്ന എല്ലാ ഓഫീസുകളിലും RBI, തിരുവനന്തപുരത്തിന്റെ പൂർണ്ണമായ സമ്പർക്ക വിവരങ്ങൾ നൽകിയിരിക്കും. RBI, തിരുവനന്തപുരത്തിന്റെ അധികാരപരിധിയിലാണ് കമ്പനിയുടെ ഓഫീസ് സ്ഥിതി ചെയ്യുന്നത് എന്നതിനാലാണിത്. കമ്പനിക്ക് പരാതി ലഭിച്ച ഒരു മാസത്തിനുള്ളി ൽ അവിടുന്ന് പരിഹാരമാകുന്നില്ലെങ്കിൽ ഉപഭോക്താവിന് നേരിട്ട് RBI യെ സമീപിക്കാവുന്നതാണ്.

iv) ഉപഭോക്താക്കളോട് കമ്പനി ഉദ്യോഗസ്ഥർ സൗഹൃദത്തോടെ പെരുമാറുന്നവെന്നും മോശമായി പെരുമാറാതിരിക്കാനും മര്യാദയില്ലാത്ത തും നീതിരഹിതവുമായ പെരുമാറ്റങ്ങൾ കമ്പനി ഉദ്യോഗസ്ഥരിൽ നിന്നും ഉണ്ടാകരുത് എന്ന് ഉറപ്പു വരുത്തുന്നതിനുമായി കാര്യക്ഷമമായ പരിശീലന പരിപാടി കമ്പനി നടപ്പിലാക്കുന്നതാണ്.

v) വിവിധ ഇടപാടുകൾ നടത്താനും പൂർത്തിയാക്കാനും ആവശ്യമായ സമയത്തെക്കുറിച്ചുള്ള നിയമങ്ങൾ കമ്പനി ഉണ്ടാക്കുന്നതും പ്രദർശിപ്പിക്കുന്നതുമാണ്.

vi) ഉപഭോക്താക്കളോട് കമ്പനി സഹതാപപൂർണ്ണമായ സമീപനമായിരിക്കും പുലർത്തുക. പ്രത്യേകിച്ചും പാവപ്പെട്ടവരോടും, സവിശേഷാധി കാരങ്ങൾ ഒന്നും തന്നെയില്ലാത്തവരോടും.

**V ) സെക്യൂരിറ്റി വീണ്ടും കൈവശത്തിലാക്കൽ (ക്രമേഴ്സുൽ വാഹനങ്ങൾ)**

i) തിരിച്ചടവിൽ വീഴ്ച വരുത്തുകയോ, മറ്റേതെങ്കിലും തരത്തിലുള്ള വീഴ്ച ഉണ്ടാകുകയോ ചെയ്താൽ ലോൺ എഗ്രിമെന്റിൽ നിഷ്കർഷിച്ചിട്ടുള്ള നിയമങ്ങളും വ്യവസ്ഥകളും പ്രകാരം കടശ്ശിക തിരിച്ചു പിടിക്കുന്നതിന് വേണ്ടി ജാമ്യം നടപ്പിലാക്കുവാനുള്ള അവകാശം കമ്പനിക്ക് ഉണ്ടായിരിക്കും. ലോണുകൾ തിരിച്ചു പിടിക്കുന്ന സന്ദർഭത്തിൽ കടം വാങ്ങിയവരെ അസമയങ്ങളിൽ ബുദ്ധിമുട്ടിക്കുകയോ ലോൺ തിരിച്ചു പിടിക്കുവാൻ ബലപ്രയോഗം നടത്തുകയോ പോലുള്ള അനാചിതമായ ശല്യപ്പെടുത്തലുകൾക്ക് കമ്പനി മുതിരുകയില്ല.

ii) വായ്പ കരാറിൽ പറഞ്ഞിട്ടുള്ള നിയമങ്ങളിലും നിബന്ധനകളിലും വ്യവസ്ഥ ചെയ്തിട്ടുള്ളത് പ്രകാരം അല്ലാതെ, കടം വാങ്ങിയ ആൾ വെളിപ്പെടുത്തിയിട്ടില്ലാത്ത പുതിയ വിവരങ്ങൾ കമ്പനിയുടെ ശ്രദ്ധയിൽ വരുന്നില്ല എങ്കിൽ, കടം വാങ്ങിയ ആളുടെ കാര്യങ്ങളിൽ ഇടപെടുന്നതിൽ നിന്നും കമ്പനി വിട്ടു നിൽക്കുന്നതായിരിക്കും.

iii) വായ്പ കൊടുക്കുന്നതിന്റെ കാര്യത്തിൽ കമ്പനി ലിംഗം, ജാതി, മതം, എന്നിവയുടെ അടിസ്ഥാനത്തിൽ യാതൊരു വിവേചനവും കാണിക്കുകയില്ല.

iv) കടം വാങ്ങുന്ന ആളുടെ അക്കൗണ്ട് ട്രാൻസ്ഫർ ചെയ്യുന്നതിനെപ്പറ്റി, കടം വാങ്ങുന്ന ആളിൽ നിന്നോ, അക്കൗണ്ട് ടേക് ഓവർ ചെയ്യുവാൻ ഉദ്ദേശിക്കുന്ന ബാങ്കിൽ നിന്നോ/ബാങ്കിങ് ഇതര ഫൈനാൻസ് കമ്പനിയിൽ നിന്നോ അപേക്ഷ ലഭിച്ചാൽ സമ്മതമോ മറ്റു തരത്തിലുള്ള പ്രതികരണമോ അതായത് കമ്പനിയുടെ എതിർപ്പ് ഉണ്ടെങ്കിൽ അതോ അപേക്ഷ കൈപ്പറ്റി 21 ദിവസത്തിനകം അറിയിക്കുന്നതാണ്.

v) സെക്യൂരിറ്റി വീണ്ടും കൈവശത്തിലാക്കൽ കടശ്ശിക തിരിച്ചു പിടിക്കുവാൻ ഉദ്ദേശിച്ചുള്ളതാണ്. കടം വാങ്ങിയ ആൾക്ക് സെക്യൂരിറ്റി നഷ്ടമാക്കുക എന്ന ഉദ്ദേശ്യത്തോടെ അല്ല. സെക്യൂരിറ്റി കൈവശം വീണ്ടെടുക്കൽ പ്രക്രിയകളിൽ സമുചിത നടപടികളിലൂടെ സെക്യൂരിറ്റി കൈവശം എടുക്കൽ, സെക്യൂരിറ്റിക്ക് വിലയിടൽ, സെക്യൂരിറ്റി വസ്തുലാക്കൽ എന്നിവ ഉൾപ്പെടുന്നു. ഇവയെല്ലാം ന്യായയുക്തവും സുതാര്യവുമായ രീതിയിൽ നടത്തുന്നതാണ്. ശരിയായ നോട്ടീസുകൾ നൽകി മാത്രമേ വീണ്ടും കൈവശത്തിലാക്കൽ നടത്തുകയുള്ളൂ. സെക്യൂരിറ്റി വീണ്ടും കൈവശത്തിലെടുക്കുമ്പോൾ യഥാവിധി നിയമ പ്രക്രിയ വഴി മാത്രമേ ചെയ്യുകയുള്ളൂ. കൈവശം ഏറ്റെടുത്ത ശേഷം കൊലാറ്ററിന്റെ സുരക്ഷിതത്വം ഉറപ്പുവരുത്തുന്നതിന്, ബിസിനസ്സിന്റെ സാധാരണ നടത്തിപ്പിന്റെ ഭാഗമായി കമ്പനി യുക്തിസഹജമായ എല്ലാ ശ്രമവും നൽകുന്നതാണ്.

vi) സമുചിതമായ ഒരു പരാതി പരിഹാര സംവിധാനം നടപ്പിലാക്കും. അതുവഴി കമ്പനിയുടെ ഉദ്യോഗസ്ഥരുടെ തീരുമാനങ്ങളിൽ നിന്നും ഉരുവിടുന്ന തർക്കങ്ങൾ കേൾക്കുകയും തീർപ്പു കൽപ്പിക്കുകയും ചെയ്യുന്നതാണ്.

**VI ) മറ്റു കാര്യങ്ങൾ**

i) സാധാരണ ബിസിനസ്സ് സമയം, അവധി ദിവസങ്ങളുടെ ലിസ്റ്റ് എന്നിവ കമ്പനിയിൽ പ്രദർശിപ്പിച്ചിരിക്കും. എന്തെങ്കിലും മാറ്റങ്ങൾ ഉണ്ടെങ്കിൽ അവ ശാഖാ പരിസരത്ത് പ്രദർശിപ്പിച്ചിരിക്കുന്ന നോട്ടീസിലൂടെയോ പത്രക്കുറിപ്പിലൂടെയോ അറിയിക്കും.

ii) ഉപഭോക്താക്കളുടെ വ്യക്തിപരമായ വിവരങ്ങൾ യാതൊരു കാരണവശാലും അനർഹരായ ആൾക്കാർക്കോ, സ്ഥാപനങ്ങൾക്കോ മുന്നാമത് കക്ഷികൾക്കോ കമ്പനി നൽകുന്നതല്ല. എന്നാൽ ഏതെങ്കിലും നിയമപരമായ കാര്യങ്ങൾക്കുവേണ്ടി നിയമ വിധേയമായി ആവശ്യപ്പെടുന്ന പക്ഷം ഉപഭോക്താവിന് നോട്ടീസ് നൽകാതെ തന്നെ ആയതു നൽകുന്നതിന് കമ്പനി ബാധ്യസ്ഥനായിരിക്കുന്നതാണ്.

iii) കമ്പനി അതിന്റെ ശാഖകൾ വഴി ലോക്കർ സൗകര്യം നൽകിയിട്ടുള്ള സ്ഥലങ്ങളിലെല്ലാം പ്രസ്തുത പ്രവർത്തനം റിസർവ്വ് ബാങ്കിന്റെ നിയന്ത്രണത്തിൻ കീഴിലുള്ളതല്ലെന്ന് ഉപഭോക്താവിനെ/ഉപഭോക്താക്കളെ അറിയിക്കുവാൻ സമുചിതമായ വെളിപ്പെടുത്തൽ നടത്തിയിട്ടുണ്ടെന്ന് ഉറപ്പു വരുത്തും.

**ഭേദഗതികൾ :**

ലോക്കർ സൗകര്യത്തെപ്പറ്റി പോയിന്റ് D(V) ചേർക്കൽ - റിപൊസഷൻ ഓഫ് സെക്യൂരിറ്റി ആൻഡ് D(VI) (iii) 12 ഫെബ്രുവരി 2016 ലെ ബോർഡ് മീറ്റിങ്ങിൽ അംഗീകരിച്ചതു പ്രകാരം.

## Fair Practice Code

**In exercise of the powers of the board of directors conferred by the Articles of Association of the company and pursuant to the guidelines issued by the Reserve Bank of India, the board hereby notifies the guidelines to be followed while carrying out the business activities under NBFC license granted by RBI**

### Applicability:

This code shall be applicable all over the company business activities.

#### A. PREAMBLE / INTRODUCTION

The Fair Practice Code (FPC) has been formulated by Vikas Money Limited in response to guidelines issued by Reserve Bank of India vide circular DNBS.CC.PD.No.266 / 03.10.01 / 2011-12 dated 26 March, 2012 titled "Guidelines on Fair Practices Code for NBFCs" replacing the existing code posted on the Company's website.

The FPC will be applicable to all the offices of the Company including the Head Office, Guruvayur, Thrissur, Kerala, the Regional Offices located in various Centers and the Branches located across Kerala & Tamil Nadu. The FPC shall be binding on all the employees and officers of the Company.

#### B OBJECTIVES

The objectives of the FPC are as under:

- i. Adopt the best practices in dealings with customers.
- ii. Set challenging benchmarks and strive to achieve high operating standards for ensuring customer satisfaction.
- iii. Follow transparent, fair, ethical and legally tenable practices while conducting business.
- iv. Provide all necessary information and inputs to customers / prospective customers and promote a mutually beneficial long term relationship.
- v. Facilitate a continuously growing base of satisfied customers while scrupulously avoiding acquisition of customers having doubtful credentials or criminal background.

#### C DECLARATIONS & COMMITMENTS

- i. The Company undertakes to abide by all applicable laws, regulations and guidelines passed / issued by the Regulators (Reserve Bank of India, SEBI, IRDA etc.) and other competent authorities such as Government, Local Authority etc.
- ii. The Company commits itself to full customer satisfaction through efficient, professional and courteous services across all its offices.
- iii. The Company shall consistently strive to meet with and improve upon the internally set benchmarks and practices and be ahead of the standards prevalent in the industry.
- iv. The Company undertakes not to discriminate customers on grounds of religion, caste, gender or language.

- v. The Company will provide clear and full information about its products and services to its customers / prospective customers and will not resort to any misleading or potentially misguiding advertisement or publicity.
- vi. The Company undertakes to desist from introducing any products / services having elements of 'hidden charges' or lack of transparency.
- vii. The Company will communicate in the local language with the customer and in English at the request of the customer
- viii. The Company undertakes to take all possible and reasonable measures to secure the safe custody of the security pledged by the customer and to compensate the customer for any accidental, inadvertent or fraudulent loss of the security whilst in the custody of the Company.
- ix. The Company undertakes not to take advantage of any unintentional or clerical error made by the customer while transacting business.
- x. The Company is committed to put in place a system for promptly addressing complaints and suggestions of the customers supplemented with a structured Grievance Redressal Mechanism having an escalation matrix.
- xi. The Company shall display the FPC on its website and also make available to the Customer, on request, a copy of the FPC on demand.

#### **D) FAIR PRACTICES**

- i. LOANS, TERMS & CONDITIONS, INTEREST RATE & CHARGES
- ii. The Company shall make available loan application forms in local language to all prospective customers free of cost at the concerned branches mentioning also the supporting documents to be submitted along with. An acknowledgement for receipt of duly completed loan application forms will be given to the customer in all cases. As a matter of policy and customer service loan applications are sanctioned / rejected immediately. Disbursement of the loan and acceptance of security will be carried out nearly simultaneously.
- iii. The Company shall disclose all relevant information relating to a loan / product such as eligible loan amount, interest rate, charges, penal/overdue interest, interest calculation methodology, rebate on interest etc. before sanction of the loan to enable the customer / prospective customer to take an informed decision. The Customer / prospective customer will also be provided, on request, the detailed terms and conditions of the loan before sanction.
- iv. The Company shall ensure that a loan sanction letter (pawn ticket) is given to the customer containing all the terms and conditions governing the loan facility in the local language or other language understood by the customer. The loan sanction letter (pawn ticket) will also mention the loan amount, loan account number, interest rate, charges, loan processing fees etc. The loan sanction letter (pawn ticket) which will bear the signature of the authorized official of the company will also serve as a receipt for the security (gold) pledged at the branch by the customer.
- v. The Company shall not in the normal course make any changes / modifications in the terms and conditions of the loan, including rate of interest, which could adversely affect the customer financially or otherwise. In abnormal circumstances when such changes / modifications are inevitable, keeping in view the new circumstances, adequate and proper notice shall be given to the customer about any such change/modification.



## **(II) MARKETING & PROMOTION**

- i. The Company shall not deliberately promote a product with any ulterior / selfish motives or contrary to the customer requirements or expectations as disclosed by the customer. The Company will ensure that its personnel engaged in marketing and operations are suitably trained and instructed so as to preclude selling of its products by misrepresentation to the customer / prospective customer.
- ii. The Company will not indulge in profiteering by charging usurious rates of interest on loans or take undue advantage of adverse market conditions. The rates of interest will be based on variables such as cost of funds, risk premium, loan scheme, loan per gram, profit margin etc. and shall be in conformity with the Interest Rate policy of the Company and Regulatory Guidelines from time to time. It shall also, by and large, be in tune with industry practices and benchmarks.
- iii. Full and updated information regarding loan schemes, rate of interest, loan per gram, charges etc. will be displayed on the website of the Company and also displayed in the branches. Complete or select information will also be made available through various media channels, posters, brochures, notices, displays etc. based on the decisions of the management of the Company from time to time.

## **(III) RECOVERY OF DUES, EXERCISE OF LIEN & DELIVERY OF SECURITY**

- i. The Company will not, as a matter of fair dealing, normally recall the loan before the initially agreed tenure except in unanticipated or abnormal circumstances where the Company's interests are adversely affected e.g. when the security value diminishes substantially, when the quality of gold is not found to be acceptable, due to any regulatory / government directives etc. In all such cases proper and reasonable notice shall be given to the customer recalling the loan before expiry of the normal tenure.
- ii. The Company will make all possible soft or persuasive efforts to get the customer to repay the dues without resorting to disposal of the security. The Company does not accept nor will it encourage the use any coercive or hard measures to recover its dues from the customer.
- iii. The Company will deliver the security (gold) to the customer immediately upon settlement of the loan in the same condition as was at the time of sanction of the loan. In case of any damage caused to the security (gold) due to mishandling by its employees, the Company shall at its cost get the damage repaired or alternately pay reasonable compensation to the customer on a case to case basis. If the security (gold) has signs of damage thereon, before being taken custody of by the Company at the time of sanction of loan, the fact will be briefly incorporated in the sanction letter (pawn ticket).
- iv. The Company will exercise only legitimate right of lien over the pledged security or such cash surplus as may arise upon settlement of existing loans at any time. Such right of lien shall arise only if the customer has any other dues, either directly or as guarantor, and will be subject to proper intimation of such right of lien being given to the customer by the Company.

- v. The Company shall issue a signed and, normally, a system generated receipt for all cash payments made by the customer immediately. The Company shall also accept payments vide cheques, demand drafts, electronic transfers etc. subject to the condition that return of the security (gold) will be made only after confirmation of realization.
- vi. Even though the loan sanction letter (pawn ticket) contains all applicable terms and conditions of the loan the Company shall, nevertheless, endeavour, on a best effort basis, to send advices, reminders etc. regarding due date for payment of interest, principal etc. by letter, courier service, telephone , SMS etc.
- vii. The Company shall, on demand, provide the customer or his duly authorized representative with a statement of the loan account at any time during the currency of the loan or immediately upon closure. However, the Company may, at its discretion, require payment of reasonable processing charges by the customer for providing statement of account if such demand is made 30 calendar days after closure of the account.
- viii. The Company will resort to disposal of security (gold) only as a last resort and that too after adequate and proper notice is served on the customer to repay the dues. Such notice will be as per the terms contained in the sanction letter (pawn ticket) and also in compliance with applicable laws and regulatory guidelines. The disposal of the security (gold) will be taken up through public auction when the customer does not positively respond to the communications sent by the Company to close the loan account along with interest and other charges.
- ix. Where the Company proposes to dispose of the security even before the normal tenure of the loan based on the rights conferred on the Company vide loan application and loan sanction letter (pawn ticket) adequate and proper notice will be served on the customer before such action is initiated for recovery of dues.
- x. The Company prefers and encourages customers to take back delivery of the security immediately upon full settlement of all dues. However, should there be exceptional instance of the Customer being unable to take delivery of the security (gold), not attributable to the inability of the Company, after closure of the loan account reasonable safe custody charges may be payable which will be duly advised to the customer or displayed in the branch premises and the Company's website.
- xi. The Company will not interfere in the affairs of the customers except for the purposes mentioned in the terms & conditions of the loan or when constrained to do so due to inadequate or false disclosures made by the borrower at the time of putting through the transactions.

#### **(IV) CUSTOMER SERVICE & GRIEVANCE REDRESSAL**

- i. The Company will implement all possible steps to prevent and minimize customer complaints / grievances
- ii. The Company will facilitate the customer to pay the whole or part of the dues at any of the branches of the Company subject to the condition that delivery of the pledged security shall be made only at the branch where loan was originally disbursed.
- iii. The Company will put in place an effective Customer Grievance Redressal mechanism details of which will be displayed on the website and in all the branches.

The mechanism will specify interalia the names & designations of the officials with whom complaints can be registered, their postal address / telephone numbers/ email address, escalation matrix, time limit for acknowledging receipt of complaint, time limit for dealing with the complaint etc. It will also put in place at all offices where business is transacted, the complete contact details of the Regional Office of RBI, Thiruvananthapuram, within whose jurisdiction the registered office of the company is situated, so that the customers may directly approach the RBI in case their grievances are not redressed within one month of the receipt of complaints by the company”

- iv. The Company will put in place an effective training system to ensure that employees of the Company are customer friendly and do not resort to rude, inappropriate or unethical behaviour.
- v. The Company will endeavor to work out and display the time norms for putting through and completing the various transactions.
- vi. The Company will have a sympathetic approach to the problems faced by the customer especially the poor and underprivileged sections.

#### **(V) REPOSSESSION OF SECURITY (COMMERCIAL VEHICLES)**

- i. The Company reserves the right to enforce security for recovery of dues on the terms and conditions stipulated in the loan agreement in case of default in payment or on the occurrence of any other event of default. During recovery of loans, the Company will not resort to undue harassment like bothering the borrowers at odd hours or use of force for recovery of loans.
- ii. The Company would refrain from intervening in the affairs of the borrowers except as provided in the terms and conditions mentioned in the loan agreement, unless new information, not disclosed by the borrower, has come to the notice of the Company.
- iii. The Company would not discriminate on grounds of sex, caste and religion in the matter of lending.
- iv. In case of receipt of request for transfer of borrower account, either from the borrower or from a bank/non-banking finance company, which proposes to take over the account, the consent or otherwise i.e. objection of the Company, if any, would be conveyed within 21 days from the date of receipt of request.
- v. Repossession of security is aimed at recovery of dues and not to deprive the borrower of the security. The recovery process through repossession of security will involve repossession, valuation of security and realization of security, through appropriate means. All these would be carried out in a fair and transparent manner. Repossession will be done only after issuing proper notices. Due process of law will be followed while taking repossession of the security. The Company will take all reasonable care for ensuring the safety and security of the collateral after taking custody, in the ordinary course of the business
- vi. An appropriate grievance redressal mechanism would be put in place whereby disputes arising out of the decisions of Company’s functionaries would be heard and disposed off.



## **(VI) MISCELLANEOUS**

- i. The Company shall display the normal business hours at the respective branches, the list of holidays and notify the changes, if any, by way of a notice displayed in the premises of the branch or through press notification.
- ii. Personal information of the customer will not be shared with unauthorized persons or agencies or third parties by the Company. However, the Company will be bound to honour and comply with legal or regulatory requirements, if any, in this matter obligating it to part with such information even without notice to the customer.
- iii. Wherever locker facility is extended by the Company through its branches, it shall be ensured that appropriate disclosure are in place to communicate to the customers that the activity is not regulated by the Reserve Bank.

### **Amendments:**

1. Insertion of Point D(V)-Repossession of security and D(VI)(iii) regarding locker facility as approved in the Board meeting dated 12th February, 2016.

**BY THE ORDER OF THE BOARD  
For VIKAS MONEY LIMITED**

**MANAGING DIRECTOR**

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### **CC:**

- 1. Legal Department**
  - 2. Administration Department**
  - 3. HR Department**
-

## Interest Rate Policy

**In exercise of the powers of the board of directors conferred by the Articles of Association of the company and pursuant to the guidelines issued by the Reserve Bank of India, the board hereby notifies the guidelines to be while**

### Applicability:

This policy is applicable to all loans sanctioned by the company

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### Objective

The Company has been following certain procedures and practices in the matter of fixing interest rates on gold loans (assets), personal loans and NCDs/Subordinated Bonds (liabilities). Interest rates are not controlled by the Reserve Bank of India.

However, RBI has vide circular DNBS. CC.PD. No .266/03.10.01/2011-12 dated 26 March 2012 and RBI/DoR/2023-24/106 - DoR.FIN.REC.No.45/03.10.119/2023-24 dated 19<sup>th</sup> October, 2023 updated on 21<sup>st</sup> March, 2023 and 10<sup>th</sup> November 2023 (Guidelines on Fair Practices Code for NBFCs) directed NBFCs to have a documented Interest Rate Policy / Model approved by the Board of Directors which would lay down internal principles and procedures in determining interest rates and other charges on the loan products offered by NBFCs. It further advised that the rate of interest and the approach for gradations of risk and rationale for charging different rate of interest to different categories of borrowers shall be disclosed to the borrower/customer in the application form and communicated explicitly in the sanction letter.

In line with the RBI Directions referred to above, this Interest Rate Policy shall define the Parameters for determining interest rates for different categories of borrowers.

Keeping in view of the RBI's guidelines and the specific points referred to in the above referred RBI circular as mentioned below, the Company has been following certain procedures and practices in the matter of fixing interest rates on gold loans and other loans (assets)

- a) Charging of excessive interest rates by NBFCs.
- b) The need for adoption of an interest rate model along with an approach for gradations of risk & rationale for charging differential rates.
- c) Disclosure of rates of interest rates changes thereof and publicity thereto.
- d) Adoption of annualized rates of interest while dealing with customers.

- a) Long term sustainability of the business by taking into account the interests of all loans which is the main factor to determine the interest rate,
- b) Develop and adopt a suitable model for calculation of a reference rate,
- c) Fixation of reasonable interest rates.
- d) That the rates are fixed considering the Operation costs in the business, risk factors and reasonable, market-competitive rate of return.
- e) Ensure that computation of interest is accurate, fair and transparent.

### Approach to gradation of risk & Interest Rate Model

The Interest rate charged by the Company for loans and advances is on Fixed Rate basis. With reference to the Company's approach for gradations of risk and rationale, the rates of interest for the same product and same tenor availed during the same period by different customers could vary depending upon the combination of various factors such as borrower's profile including age, number of dependents, residential stability, type of employment and length of service, primary and secondary income, vintage and growth in business (if selfemployed), nature and type of collateral security, brand/resale value of the vehicle, past repayment track record, past association with Vikas Money Limited, credit score, Loan to Value etc. The lending interest rate will be arrived based on the weighted average cost of funds including all charges, risk premium, other costs such as administrative expenses, profit margin, stability, market information associated with lending activities.

The Company shall be charging annualised interest rate on loans and advances extended to customers. The annualised interest shall be communicated explicitly in the Sanction letter. Any revision/change in the interest rate/other charges would be affected prospectively only.

The interest shall be amortized with the principal and the monthly due shall be repaid by way of instalments. The company may offer an equated monthly instalment or a structured repayment. The company may alternatively offer a scheme by which the interest needs to be serviced month on month or on quarterly basis and the Principal repaid at the end of the tenure. The repayment of both the Principal and Interest may also be offered on "Bullet Payment" at the end of the tenure.

### Methodology for calculation of interest on loan accounts

The main spirit underlying the methodology is to project a transparent and fair approach to the customers and also be in readiness to adopt the practices now in vogue amongst NBFC's keeping in view the peculiarities of the gold loan business..

- a) **On the daily balances:** Interest amount shall be calculated on the daily outstanding balance in the loan account at the applicable rate. Thus if the annualized rate of interest applicable is R% the interest amount for each day would be.  $(\text{Amount outstanding} \times R) \times (365/360)$ .



- b) **Minimum period for which interest chargeable:** The minimum period for which interest is payable by the borrower shall not exceed 7 days or Rs.750 whichever is higher. Interest receivable shall be calculated on the actual daily outstanding balance.
- c) **Basis** - number of days per year: Interest shall be calculated based on 360 days a year. Dates of disbursement and closure of account shall both be included for computation of interest. However, MD may approve any deviation on the inclusion or exclusion of days' interest rate and slab etc.
- d) **Compounding:** Compounding of interest where applicable, as provided in the loan scheme, shall be at a frequency of 30 days in a year.
- e) **Annualised rate of interest:** Interest rate quoted shall be on an annualized basis in all documents, internal instructions/ communications and publicity materials (pamphlets, brochures, hoardings, etc) Where the rates are mentioned in a non-annualized form (e.g. in product promotion) the annualized rate shall also be mentioned along with so as to comply with regulatory requirements and Fair Practices Code.
- f) **Fixed rate / Floating rate:** All the loans shall be granted at a fixed rate only.
- g) **Maximum/ Ceiling Interest Rate on Gold Loans:** Keeping in view the regulatory (RBI) expectations from NBFCs and also the Fair Practices Code the maximum interest rate chargeable shall be fixed at 39.11% p.a during the normal loan tenure across all states/regions excluding compounding effect were applicable under any schemes.

Penal Charges, Overdue Interest, and other out of pocket expenses, wherever applicable charged from the borrowers will be exclusive of the ceilings mentioned above.

The above-mentioned ceilings shall be reviewed periodically at quarterly intervals or more frequently, as and when required, by the Board of Directors keeping in view regulatory guidelines/directives, the intensity of competition in the market, net interest margin target, market rates etc.

#### **Risk-Based Gradation of Interest Rates.**

The Lending Rate will be different for different categories of borrowers, considering the profile of the customer, tenure of the customer relationship, past repayment track record, customer segment, market reputation, inherent credit and default risk in the products, ancillary business opportunities, future potential, group strength and

value to lender group, overall customer yield, Loan-to-Value (LTV) ratio, nature and value of primary and collateral security etc. The Lending Rate is determined on a case to case basis.

The company shall disclose the rate of interest in the application form and communicate explicitly in the sanction letter.

### **Pricing of gold loans**

#### **Rate of interest.**

- a) Considering the nature of the Gold loans (collateral valuation being vital) the major inherent risk is the Loan to Value (LTV) or Loan per Gram. Since a higher LTV translates to a higher risk it stands to reason that LTV and Interest rate should be correlated. Accordingly, assuming all other factors to be the same, a higher LTV loan should attract a correspondingly higher interest rate as compared with a lower LTV loan.
  
- b) The LTV linkage with interest rate shall be at the time of sanction of loan and cannot be changed subsequently due to movements in the overall collateral coverage arising from market movements in gold prices,
  
- c) Where substantially low rates of interest are charged on certain/special schemes or in specified regions/areas/branches the maximum amount per borrower shall be appropriately restricted and checks put in place to prevent misuse of the facility. Such schemes shall be periodically reviewed and appropriately modified to meet with the overall objectives of floating such schemes.

#### **Calculation of interest and the due date for servicing interest:**

Interest will be calculated from the date of disbursement and shall be charged for the day of closure of the account. The due date for payment of interest shall run from the date of disbursement.

#### **Penal Charges**

In the case of gold loan, when the customer fails to pay the loan amount with applicable interest on time mentioned in the loan agreement, then the loan account shall be charged a penalty for the year in form charges as mentioned in the loan sanction letter. The illustration of the same are as follows :

Loan Up to Rs. 1 Lacs	Rs. 20,000.00
Loan Up to Rs. 2 Lacs	Rs. 40,000.00
Loan Up to Rs. 3 Lacs	Rs. 60,000.00
Loan Up to Rs. 4 Lacs	Rs. 80,000.00
Loan Up to Rs. 5 Lacs	Rs. 100,000.00

The Penal Charges provisions shall be calculated and will apply only after the expiry of the 'normal' tenure.

In the case of loans other than gold loan i.e., business loan/personal loan, when the customer fails to pay the loan amount with applicable interest on time mentioned in the loan agreement, then the loan account shall be charged a penalty at an amount not exceeding Rs. 250 per EMI/EI.

However, a committee consisting of the Chief Executive Officer, Chief Financial Officer and the Managing Director may approve any deviation on the inclusion or exclusion of days, interest rate and slab etc.

### **Indicative range of interest**

Indicative range of interest for various verticals/loan products of VIKAS MONEY LIMITED is given below.

<b>Verticals / segments / product</b>	<b>Range (Annualized Rate)</b>
<b>Gold loans</b>	<b>20% – 33%*</b>
<b>Business Loans/Personal Loans</b>	<b>25% – 39.11%</b>

Special Rebates may be given to the customers who are paying regular monthly interest or willing to regularize the account as per the discretion of the management.

### **Other Charges and recovery of Out-of-Pocket Expenses Gold loans**

The Company may also levy other charges such as loan processing fees, processing charges for delivery of gold against lost pawn ticket, statement of account, closing charges, POS payment charges etc. In addition, the Company shall be entitled to recover costs incurred in connection with postage, legal costs etc. The above charges shall be pegged at reasonable levels and in the spirit of Fair Practice.

### **Guidance rates are as under:**

Description	Range of charges	Exceptions
Loan processing	Maximum of 3.5% of Loan Amount + Applicable Taxes	
Delivery against lost Pawn Ticket – processing charges	Rs. 150/- Per Pledge	
Postage, Courier charges	At Actual + Admin Cost	



### **Other Charges - /Business Loan/Personal Loan (Non Gold)**

Description	Range of charges	Exceptions
Loan processing	Maximum of 3.5% of Loan Amount + Applicable Taxes	
Penal Charges	Rs. 6 – Rs. 250 Per EI/EMI	
Insurance Charges	At Actual	
Legal Charge	At Actual	
Cheque Bounce Charges	Rs. 1000/- + Applicable Taxes	
Pre Closure Charges (EMI/EI)	5% of the Principal Outstanding	

### **Miscellaneous**

There may be exceptional economic situations that may result in a change in the liquidity environment and the availability of funds to the Company. The interest policy shall be subjected to review once a year and as may be required to suit such situations

- a) The rates of interest for the same product and tenor availed during the same period by different customers need not be standardized but could be different for different customers depending upon consideration of factors like location of the customer, credit risk, liquidity risk and tenor risks.
- b) Vikas Money Limited shall intimate the borrower loan amount, annualized rate of interest, periodicity of interest application, tenure and wherever applicable the amount of monthly installment at the time of sanction of the loan.
- c) The company shall not charge foreclosure charges/pre-payment penalties on loans granted except for EMI schemes.
- d) All other regulatory changes in this regard will stand updated in the policy from time to time.

### **Rebate on interest**

Schemes offering rebate on the interest rate may also be considered on the ground that customers who regularly service interest payable on loans deserve to be incentivized. The extent of rebate may vary from scheme to scheme but may not exceed 3% pa (300 basis points on the contracted rate). Rebate may be considered at the time of full settlement in cases where interest payable has been serviced by the due dates without any default on all occasions. However, a grace period of 3 calendar days may also be considered and built into the loan scheme.

### **Due date for servicing interest**

Interest will be calculated from the date of disbursement and shall be charged for the day of closure of the account also as per current practice. The due date for payment of interest shall run from the date of disbursement,

### **Structured Products**

Products offered and features thereof shall be straight forward, transparent and simple to understand so as to comply with the letter and spirit of RBI guidelines. Structured products, when introduced, should comply with the basic features of the Interest Rate policy and the FPC. Features of such products, especially the differential features, should be clearly explained to and understood by the prospective borrower before sanction as a matter of fair practice. Operational personnel should be well equipped in this regard.

### **Base Rate and Net Interest Margin**

- i) In order to arrive at a proper basis for arriving at the cost of borrowings / funds / resources a suitably calculated 'base rate' shall be developed keeping in the weighted average cost of borrowings, interest paid on liability products (NCDs / Subordinated Bonds) and return on equity capital. Return on equity capital shall be taken at 18 %, Interest rate on loans shall be based on the 'base rate' so that scope for interest rate mismatches is minimized,
- ii) The base rate shall be calculated at the end of every month and approved by the Board.
- iii) The NIM (Net Interest Margin) shall be calculated over the 'base rate' so calculated to arrive at the lending rate.
- iv) iv) The NIM shall be capped at 15% over the 'base rate'.
- v) Lending at or below the 'base rate' shall be done only for short term promotion of business either for a specific loan scheme or specific branch (es) or for lending to poor downtrodden sections.
- vi) Lending at or below the 'base rate' shall not exceed 10% of the total loan portfolio.
- vii) Lending at below the ['base rate' plus operational expenses] shall not exceed 15% of the total loan portfolio.

### Interest rates on loans against Commercial Vehicles

1. The Interest rate applicable to each loan account will be assessed based on multiple parameters like tenure, borrower profile, borrowers' repayment capacity based on the cash flows, loan to value of the asset financed, type of collateral security provided by the borrower and past repayment track record of the borrower, etc.
2. The rates of interest for the same product and tenor availed during same period by different customers need not be standardized but could be different for different customers depending upon consideration of any or combination of a few or all factors listed above.
3. The Company shall intimate the borrower loan amount, annualized rate of interest and method of application at the time of sanction of the loan along with the tenure and amount of monthly installment.
4. The company also offers variable and equated monthly installments schemes. Interest would be charged and recovered on monthly basis.
5. The other charges such as processing fees, additional interest charged on delayed payments and cheque bouncing charges are mentioned in the Schedule which is part of the Loan Agreement
6. Other financial charges like pre payment/ foreclosure charges, cheque swaps, cash handling charges, RTGS/ other remittance charges, commitment fees, charges on various other services like issuing NO DUE certificates, NOC, letters ceding charge on assets/ security, security swap & exchange charges, field collection charges etc. would be levied by the company wherever considered necessary. Besides the base charges, the service tax and other cess would be collected at applicable rates from time to time. Any revision in these charges would be with prospective effect.
7. Interest rate models, base lending rate and other charges, and their periodic revisions are made available to our prospective and existing customers through our offices and branches. Prior to entering into an agreement with our customers, we provide them with our statement of charges and interest and address their queries and questions on the same, to their satisfaction. Our loan officers ensure charges and rates of interest are explained clearly and transparently to the people who may be interested in our products.
8. Claims for refund or waiver of charges/ penal interest / additional interest would normally not be entertained by the company and it is at the sole discretion of the company to deal with such requests if any.

9. The maximum interest rate chargeable shall be fixed at 28% p. a. across all states / regions / vehicle categories / borrower categories.

**BY THE ORDER OF THE BOARD  
For VIKAS MONEY LIMITED**

**MANAGING DIRECTOR**

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**CC:**

- 1. Legal Department**
  - 2. Administration Department**
  - 3. HR Department**
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## Gold Lending Policy

In exercise of the powers of the board of directors conferred by the Articles of Association of the company and pursuant to the guidelines issued by the Reserve Bank of India, the board hereby notifies the guidelines to be while sanctioning gold loan products and services of the company.

### Name

These guidelines may be called The Gold Lending Policy

### Applicability

This policy is applicable to all Gold loan products sanctioned by the company

The company shall maintain a Loan to Value (LTV) Ratio not exceeding 75 per cent for loans granted against the collateral security of gold jewellery. The management reserves the right to determine the LTV based on the existing marketing conditions of the state. The head office shall provide the LTV ratio on day to day basis to branches.

### Determination of Value of Gold

The intrinsic value of the gold is only considered for determining loan amount. The following are the guidelines of Reserve Bank of India, adopted by the company for the purpose of determination of value of gold:

- a) The gold jewellery accepted as collateral by the Company shall be valued by taking into account the preceding 30 days' average of the closing price of 22 carat gold as per the rate as quoted by the Bombay Bullion Association Ltd. (BBA) or the historical spot gold price data publicly disseminated by a commodity exchange regulated by the Forward Markets Commission.
- b) If the purity of the gold is less than 22 carats, the company shall translate the collateral into 22 carat and state the exact grams of the collateral. In other words, jewellery of lower purity of gold shall be valued proportionately.
- c) Company, while accepting gold as collateral, shall give a certificate to the borrower on their letterhead, of having assayed the gold and state the purity (in terms of carats) and the weight of the gold pledged.



### **Prohibited forms of Gold as Collateral Security**

The lending on the following forms of gold prohibited:

1. bullion / primary gold and
2. gold coins & offerings to a temple.

The company shall not grant any advance for purchase of gold in any form including primary gold, gold bullion, gold jewellery, gold coins, units of Exchange Traded Funds (ETF) and units of gold mutual fund.

### **Verification of Ownership of Collateral Security**

Where the gold jewellery pledged by a borrower at any one time or cumulatively on loan outstanding is more than 20 grams, company shall keep a record of the verification of the ownership of the jewellery. The ownership verification need not necessarily be through original receipts for the jewellery pledged but a suitable document shall be prepared to explain how the ownership of the jewellery has been determined, particularly in each and every case where the gold jewellery pledged by a borrower at any one time or cumulatively on loan outstanding is more than 20 grams.

### **Safety and security measures to be followed by company lending against collateral of gold jewellery**

Company shall ensure that necessary infrastructure and facilities are put in place, including safe deposit vault and appropriate security measures for operating the vault, in each of its branches where gold jewellery is accepted as collateral. This is required to safeguard the gold jewellery accepted as collateral and to ensure convenience of borrowers.

### **The duties and responsibilities of Branch Managers in lending against collateral of gold jewellery.**

- I. Compliance of KYC (Know Your Customer) guidelines issued by the Reserve Bank of India. i.e., the applicant shall submit the following documents along with loan application
  - a) Color Photo
  - b) Self-Attested Copy of Permanent Account Number (PAN) Card
  - c) Self-Attested Copy of Aadhar/Passport/Voters ID
  - d) Verified Mobile Number 2(Nos)
  - e) Verified E-mail Id

## **II. Compliance of assaying procedures issued by the company for determining value/quality of the jewellery received.**

1. Verification of KYC of the Customer
2. The branch shall sanction loan only to those customers who are belonging to the permitted areas of operation of branch by the head office.
3. The Branch shall take the photo of the customer with date & time through our software.
4. No loan shall be renewed without the presence of customer in Branch
5. Verification (weight, purity etc.) of gold jewellery by the Branch Manager and in his absence Assistant Branch Manager/Executive, who have relevant experience in verification of gold jewellery with the prior approval of management.
6. Determining the value of the gold by using the electronic weighing machine by the branch executive/assistant branch manager.
7. Finalization of scheme of loan with customer.
8. Recommending & forwarding the of loan application of customer for the approval of branch manager.
9. Verification of documents and sanctioning of loan to the customer by the Branch Manager.
10. Disbursement of loan amount to the customer along with the acknowledgment.
11. If the loan amount exceeds Rs. 3 Lacs (Rupees Three Lakhs) the prior approval of the Head office shall be taken.
12. If the loan amount exceeds Rs. 3 Lacs (Rupees Three Lakhs), the collective photos of gold jewellery and photo of weight information's shall be shared with Head office- Accounts Department

## **III. Declaration**

Declaration from the customers to satisfy ownership of the gold jewellery

- IV.** Ensure that, there is always Adequate systems for storing the jewellery in safe custody, reviewing the systems on an on-going basis, training the concerned staff. Obtain the periodic report from internal auditors that, procedures are strictly adhered to.
- V.** Periodically audit by a qualified/experienced gold appraiser (Purity, weight, amount disbursed etc.)
- VI.** Ensure that, the jewellery accepted as collateral shall be appropriately insured.

## **VII. Fraudulent Transactions**

Any fraudulent transactions noticed/found by the branch employees;

- a)** They shall inform the Internal Auditor & Administration Manager via e-mail within 24hrs of event.
- b)** The administration manager shall initiate the procedure for verification of details of transaction. The report should be submitted to the Legal Department for further process within 48hrs of mail.
- c)** The legal Department should make necessary arrangements for safeguarding the interest of the company within 48hrs receipt of report from Administration Manager and report should be submitted to the Managing Director within Next 48hrs.
- d)** Allow appropriate time limit to settle the Fraud.
- e)** If the fraud is not settled, the legal department shall take appropriate legal action against staffs who were involved in the fraud.
- f)** Proceed with legal action, whether Civil or Criminal, up to the settlement of Fraud or up to the final Judgement of legal action.

**BY THE ORDER OF THE BOARD**  
**For VIKAS MONEY LIMITED**

**MANAGING DIRECTOR**

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**CC:**

- 1. Legal Department**
  - 2. Administration Department**
  - 3. HR Department**
-

## Gold Auction Policy

In exercise of the powers of the board of directors conferred by the Articles of Association of the company and pursuant to the guidelines issued by the Reserve Bank of India, the board hereby notifies the guidelines to be while auctioning gold ornaments pledged by the customers of the company.

### Name

These guidelines may be called The Gold Auction Policy.

### Applicability

This policy is applicable to all Gold loan products sanctioned by the company.

### Loan Agreement

The company shall ensure that, the loan agreement shall also disclose details regarding auction procedure.

### Place of Auction

The auction shall be conducted in the same town or taluka in which the branch that has extended the loan is located.

However, In reference to the “DOR.NBFC (PD). CC.No.108/03.10.001/2019-20” and RBI/DoR/2023-24/10- DoR.FIN.REC. No.45/03.10.119/2023-24 of Reserve Bank of India, the company can however pool gold jewellery from different branches in a district and auction it at any location within the district, subject to meeting the following conditions:

- i. The first auction has failed.
- ii. The company shall ensure that all other requirements of the extant directions regarding auction (prior notice, reserve price, arms-length relationship, disclosures, etc.) are met.

### Reserve Price

While auctioning the gold the company must declare a reserve price for the pledged ornaments. The reserve price for the pledged ornaments shall not be less than 85 per cent of the previous 30 days average closing price of 22 carat gold as declared by the Bombay Bullion Association Ltd. (BBA) or the historical spot gold price data publicly disseminated by a commodity exchange regulated by the Forward Markets Commission and value of the jewellery of lower purity in terms of carats shall be proportionately reduced. The IRR (Internal Rate of Return) fixed by the Management shall be considered while fixing Reserve Price.

### **Auctioneers**

Gold pledged shall be auctioned only through auctioneers approved by the Board. The company or its employees shall not participate in the auctions held.

### **Advertisement**

The auction shall be announced to the public by issue of advertisements in at least two newspapers, one in vernacular and another in national daily newspaper.

### **Proceedings of Auction**

The company shall provide the full details of the value fetched in the auction and the outstanding dues adjusted and any amount over and above the loan outstanding shall be payable to the borrower.

### **Transparency & Arms-length relationship during the auction**

The company shall ensure that, Transparent auction procedure in case of non-repayment with adequate prior notice to the borrower. There shall be no conflict of interest and the auction process must ensure that there is arm's length relationship in all transactions during the auction including with group companies and related entities.

### **Annual Reports**

The company shall disclose in their annual reports the details of the auctions conducted during the financial year including the number of loan accounts, outstanding amounts, value fetched and whether any of its sister concerns participated in the auction.

**BY THE ORDER OF THE BOARD**  
**For VIKAS MONEY LIMITED**

**MANAGING DIRECTOR**

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**CC:**

- 1. Legal Department**
  - 2. Administration Department**
  - 3. HR Department**
-



## Gold Auction Policy Rules.

### The Gold Collection and Auction Rules to be followed:

#### 1.1.1. Contacting of Customer

The branch manager shall ensure that, there is regular communication of reminder with the customer about the due date of payment of interest of the loan amount availed and also inform the customer that if the account is not settled before the maturity, the jewellery will be sold in auction. Preferably, 15 days before due date. The mode of communication can be Tele calling, messages, e-mail, direct meeting subject to the approval of deputy general manager.

#### 1.1.2. Failure in settlement of interest and principal before the maturity period of the scheme availed.

The branch manager shall ensure that, if any loan account holder failed to settle the loan account along with principle and interest amount before the maturity period of the scheme availed, the file shall be transferred to legal department within 24hrs with the approval of DGM, for sending legal notice (Registered) demanding the closure of account and intimating the auction procedures.

#### 1.1.3. Auction List

If the loan account holder fails to settle the matter within 15 days from the date of sending the registered legal notice or customer has not responded to the intimation letter of the company, then the branch manager shall include the name of loan account holder to the Upcoming Auction List within 2 days.

#### 1.1.4. Submission of Auction List and Gold Jewellery to Head Office

The branch shall handover the Auction List along with the gold jewellery to head office directly or through internal auditor or the person authorized by the Company to do so. Sufficient acknowledgment shall be collected from the Head Office.

#### 1.1.5. Gold Appraiser Report

The administration manager shall ensure that, the Head Office appraising of the purity, weight, value of the gold under auction by a qualified appraiser is completed and his report shall be submitted to Auction Officer

#### **1.1.6. Determination of Reserve Price**

The administration department shall ensure that, the finance department has provided the reserve price to be fixed the gold under the auction list.

#### **1.1.7. List of Auctioneers**

The administration department shall ensure that, the list of auctioneers & auction list is approved by the board of directors or board committee formed for the purpose. The approval reference number should be mentioned in the lists.

#### **1.1.8. Public Notice of Auction**

The administration department shall ensure that, the auction shall be announced to the public by issue of advertisements in at least two newspapers, one in vernacular and another in national daily newspaper indicating the place, date and time and other relevant information.

#### **1.1.9. Auction**

The administration department shall ensure that,

- a) Auction has been held on at the right place at right time.
- b) All participants marked their attendance in the register
- c) The reserve price shall be announced by the Auction Officer.
- d) The final bid amount of all auctioneers shall be noted by the Auction Officer.
- e) The highest bid amount shall be noted by the Auction Officer.
- f) After deciding the successful bidder, two witness signatures (from the participants) shall be obtained by the Auction Officer on the bid record.
- g) The bid record shall include the details of highest bid amount and successful bidder and final bid amount of all auctioneers.

### **Auction Participants**

#### **Internal Parties**

1. Auction Officer
2. Administration Manager
3. Finance Manager
4. Branch Manager or Assistant Branch Manager
5. Special invitees, with prior approval of board of directors

### **External Parties**

1. Borrowers
2. Approved auctioneers
3. Special invitees, with prior approval of board of directors

#### **1.1.10. Settlement and Closure of Loan Account**

After completion of successful auction, the loan account of the defaulter shall be closed and any excess amount, if any, found shall be refunded to the defaulter after deducting dues if any with the company.

Similarly, in the settlement of account after completion of auction, the company has incurred any loss and which also fails to meet the IRR fixed by the Board of Directors, then that files should be transferred to legal department for initiating legal actions.

**BY THE ORDER OF THE BOARD**  
**For VIKAS MONEY LIMITED**

**MANAGING DIRECTOR**

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**CC:**

1. **Legal Department**
  2. **Administration Department**
  3. **HR Department**
-

## Grievance Redressal Policy

In exercise of the powers of the board of directors conferred by the Articles of Association of the company and pursuant to the guidelines issued by the Reserve Bank of India, the board hereby notifies the guidelines to be in grievance redressal mechanism of the company.

### Name

These guidelines may be called The Grievance Redressal Policy.

### Applicability

This policy is applicable to all over the offices of the company including branch office, liaison office, head office, corporate office and registered office of the company.

### Types of Grievances:

The expected grievances are classified in the following manner

#### Branch Office Level

1. Customer Grievances
2. Employees Grievances
3. Statutory Regulators Grievances

#### Head Office Level

1. Employees Grievances
2. Statutory Regulators Grievances

### Officers in Charge:

The officers in charge is for dealing grievances in designated in the following manner.

Operational Level Officer	:	Internal Auditors
Middle Management Level Officer	:	Administration Manager
Management Level Officer	:	Managing Director

## BRANCH OFFICE LEVEL

### Customer Grievances

S No	Matter of issue	Level of Compliant	Level of Officer	Turnaround Time (TAT) Required
1	Product	Branch Office Level	Internal Auditor	1-3 Days
2	Service	Head Office Level	Administration Manager	1-2 Days
3	Legal Matters		Legal Head	1-3 Days
4	RBI Related Matters		Managing Director	1-3 Days

### Employee Grievances

S No	Matter of issue	Level of Compliant	Level of Officer	Turnaround Time (TAT) Required
1	Infrastructure Facilities & Others	Branch Office Level	HR Department	1-3 Days
2	Service	Head Office Level	Administration Manager	1-2 Days
3	Legal Matters		Legal Head	1-3 Days
4	RBI Related Matters		Managing Director	1-3 Days

### Statutory Regulators Grievances

S No	Matter of issue	Level of Compliant	Level of Officer	Turnaround Time (TAT) Required
1	Compliance of Local Laws	Branch Office Level	Administration Manager	1-3 Days
2	Other Legal Matter	Head office Level	Legal Head	1-3 Days
3	RBI Compliance		Managing Director	1-3 Days



## HEAD OFFICE LEVEL

### Employee Grievances

S No	Matter of issue	Level of Compliant	Level of Officer	Turnaround Time (TAT) Required
1	Infrastructure Facilities & Others	Branch Office Level	HR Department	1-3 Days
2	Service	Head Office Level	Administration Manager	1-2 Days
3	Legal Matters		Legal Head	1-3 Days
4	RBI Related Matters		Managing Director	1-3 Days

### Head Office Levels

#### Statutory Regulators Grievances

S No	Matter of issue	Level of Compliant	Level of Officer	Turnaround Time (TAT) Required
1	Compliance of Local Laws	Branch Office Level	Administration Manager	1-3 Days
2	Other Legal Matter	Head office Level	Legal Head	1-3 Days
3	RBI Compliance/Other Compliances of Laws		Managing Director	1-3 Days

**Provided that,**

The time for the compliance of law can be changed as per the provision of the concerned law.

**BY THE ORDER OF THE BOARD**  
**For VIKAS MONEY LIMITED**

**MANAGING DIRECTOR**

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**CC:**

- 1. Legal Department**
  - 2. Administration Department**
  - 3. HR Department**
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## Information Technology (IT) Policy

In exercise of the powers of the board of directors conferred by the Articles of Association of the company and pursuant to the guidelines issued by the Reserve Bank of India, the board hereby notifies the guidelines applicable for the Information Technology of the company.

**VIKAS MONEY LIMITED** comes under NBFC-BL category of asset size below 500 crores. The Information Technology Policy is designed considering the basic standards mentioned in RBI Master Direction-Information Technology Framework for NBFC sector. It also includes the main policies and sub policies given below.

### Using this policy

One of the challenges facing organizations today is enabling employees to work productively while also ensuring the security of the IT network and crucial part is the data on it. Given that technology is continually changing, employees play a significant role in IT security. This policy provides a framework for users to follow when accessing IT systems and the data on them. It is intended to act as a guideline for organization looking to implement or update their own Acceptable Use Policy.

Sl. No.	Policies	Policy No.
1	Physical/ Logical Access Control Policy	ITP-001
2	Password Policy	ITP-002
3	A Well-Defined User Role	ITP-003
4	Maker Checker Concept	ITP-004
5	Information Security Policy	ITP-005
6	Cyber security Policy	ITP-006
7	Electronic channel security Policy for Mobile Financial Services, Social Media & Digital Signature Certificates	ITP-007
8	System Generated MIS Reports	ITP-008
9	System Generated COSMOS Returns	ITP-009
10	Business Continuity Planning Policy	ITP-010
11	Data Backups and Retention Policy	ITP-011
12	E-mail Usage and Retention Policy	ITP-012

Sl.No.	Policy Name	Policy No	Effective Date
1	<b>Physical/ Logical Access Control Policy</b>	ITP-001	31-Aug-18

### Purpose

The objective of this Access Control Policy is to provide access to information processing facilities and information assets of organization only for authorized purposes and to establish individual accountability.

### Scope

This policy applies to any entity (person) and the access credentials (such as user accounts) with access to the information processing facilities and information assets.

### Policy

The access control policy has been segregated into two parts namely Physical Access Control and Logical Access Control.

### Physical Access Control

1. Physical access to all information processing facilities shall be protected by access control systems such as biometric systems, access card etc.
2. Where locks with keys are used, procedures for secure management of the keys must be in place.
3. Records from access control systems must be kept secure and archived.
4. Access to the specific areas (such as data centre, backup storage locations etc.) requires approval from the IT Department. Additional physical access control measures shall be implemented to restrict the access to the selected personnel.
5. All users who have physical access to the information processing facilities shall wear visible identity cards.
6. Access cards, passes, keys or other tokens must be retrieved from staff or contract staff when their employment or contract ceases.
7. Access passes shall be provided to visitors & vendors while entering the premises and should be retrieved on leaving the premises.
8. All physical access must be logged and made available for review when required.

### Logical Access Control

Access to the IT components and data is generally known as logical access. In other terms, any access to the Information processing systems should be considered as logical access. Logical access should be based on the principles of Authentication, Authorization and Accountability

## Logical access

1. Access to the IT infrastructure which includes, but not limited to, network devices, network VPN services, operating systems, applications, databases, data files should be granted on the basis of business needs.
2. Access should be allowed on the basis of positive identification and positive authorization.
3. Any access to information systems should be denied by default and access permissions are built, step by step, on a need to know basis or on the concept of least privileges.
4. Adequate segregation of duties or separation of privileges within systems should be incorporated. This will ensure that authority is not focused on a single individual.

## User Authorization

1. All access requests to data and systems must be formally authorized. Access must be given only on a need to know basis.
2. Any access requested by a contractor, temporary staff, or third parties must be authorized by IT Sr. Manager and must be for a limited period, with a defined end date and time. Such access must be promptly disabled

## User Access Modifications

1. Access must be modified as required when employees move internally within organization or on vacation for more than 15 days
2. The IT Systems Manager shall have the authority to disable accounts without reference if necessary and notify IT Department.
3. Transfer of user accounts or using other employee user credentials to login is also not permitted.

## User Access Review

1. All user access privileges must be recorded and reviewed annually. IT Systems Manager shall coordinate with other departments to perform this review
2. The access rights of all user accounts must be on a need to know basis.
3. All user activities should be logged and should be made available for review when required

## Administrator Access Modifications

1. Whenever a System, Application and/or Network Administrator leave the team/department, steps must be taken to change all the administrative passwords of organization information systems which are under the custody of the staff. This should include, but not limited to, the passwords of routers, switches, firewalls, servers, databases and service accounts.



### **Local Administrator Access**

1. Local Administrator access to workstations shall be granted only when there is a requirement. This elevated privilege shall be granted based on the approval from the IT Department and will only be valid for a limited period of time.

### **Temporary Accounts**

1. Third parties, Temporary staff or staff filling a temporary role shall not use an existing user's identification.
2. The temporary account that is released for use must be for a limited period with a predefined end date and time.

### **Third party access**

1. Access granted to third parties, which includes but not limited to vendors, contractors, external auditors, etc should have the supporting business documents which clearly justify the business needs.
2. Third party access must be for a limited period with a predefined end date and time.

### **Termination of Access**

1. The Employees' Manager ensures that all such user accounts to access ended.
2. Any client user accounts used by the employee should be disabled or the account password should be changed.
3. Codes or passwords for systems, equipment access passwords (routers and switches), administrator passwords, and other common access control information should be changed when appropriate.
4. IT System Managers should be informed by the Human Resources department when employee resignation / termination processed.

### **Enforcement**

Any employee who is found to have violated this policy may be subject to disciplinary action, up to termination of employment.

Sl.No.	Policy Name	Policy No	Effective Date
2	<b>Password Policy</b>	ITP-002	31-Aug-18

### Purpose

The purpose of this policy is to provide the guidelines necessary for all of the employees of the ABC Company users to create appropriate passwords and to use them and protect them in an appropriate manner.

### Scope

The policy applies to all ABC Company computers and devices that store company information. It applies to all users of the organization's network, using any device that has access to the network.

### Policy

All company-owned workstations and servers must be protected using a user ID and strong password combination. Passwords are used for user accounts, servers, data base, e-mail accounts, network devices, Web & Mobile applications, Firewall devices, Wi-Fi devices, etc. Users of any company-owned systems that require a password must follow the guidelines below for creating passwords:

1. Passwords for typical user accounts should be at least eight characters in length; administrative passwords should be at least 15 characters in length.
2. A password cannot be a word or phrase that can be found in any dictionary or a word spelled backwards.
3. It should contain at least one upper case letter, one non-alpha character and at least one special character (e.g. @\$%^^&).
4. Must not be a common pattern found on a standard keyboard or any other common pattern of letters or numbers.
5. It should not be based on personal information such as birthdays, addresses, names, etc.

It is important to protect the secrecy of passwords. The following guidelines must be followed when handling passwords:

1. Passwords can never be written down anywhere that is not under lock and key (no sticky notes!).
2. All user account passwords must be changed every 180 days and cannot be reused. All administrative passwords must be changed every three months.
3. Password can never be included in e-mails or other form of electronic communications.
4. Users must have different passwords for each system that does not use some method of single sign on.

5. Never reveal your password to anyone over the phone, including help desk personnel.
6. Do not share your passwords with assistants, co-workers, family members, or friends. All passwords must be treated as company confidential.
7. Do not use the "Remember Password" feature of any application.
8. Do not store your passwords in any portable electronic device such as tablets or cell phones.

Any exceptions to this policy must be approved in advance by the company IT department.

### **Enforcement**

Any employee who is found to have violated this policy may be subject to disciplinary action, up to termination of employment.

Sl.No.	Policy Name	Policy No	Effective Date
3	A Well Defined User Role	ITP-003	31-Aug-18

### Purpose

The objective of this User Role Policy is to define individual user role of organization.

### Scope

This policy applies to all individuals under organization with access to the information processing facilities and information assets.

### Policy

#### A Well-Defined User Role

Individuals who have been granted access to specific information assets in the performance of their assigned duties are considered Authorized Users. Users will get access to data only through the authorization and access control process. Access only that data which s/he has a need to know to carry out job responsibilities. Disseminate data to others only when authorized by the concerned departments under the organization.

#### User Registration and Deregistration

1. Every staff, customer and third party, requiring access to the IT infrastructure, standalone systems and applications must have a unique user ID and a personal secret password. This user ID and password will be required to establish positive identification and authentication.
2. Human Resources department is required to inform the IT Department with up-to-date and relevant personnel details to ensure that the appropriate security controls are implemented in light of this information
3. Unique user IDs assigned so that access and modifications can be traced.
4. The user who gains access to the system / application should read and understand the Information Security policy and related policies before the logical access are granted. Non- compliance with the policies will result in disciplinary action, which is dependent on the nature and severity of the transgression.
5. The user registration should be approved by the IT Sr. Manager after reviewing the business need for the access of the requesting user.
6. The user should be deregistered or disabled when the access is no more needed.

## User identification and Authentication

1. Users are accountable for all activities performed with their personal user IDs. User IDs shall not be utilized by anyone other than the individuals to whom they have been issued except for super administrator accounts.
2. All systems that connect to the IT infrastructure must make use of proper access controls that prohibit access to resources without proper authentication procedures
3. Every authentication process for computers connected to the IT infrastructure must (wherever possible) include a notice warning against unauthorized use and consequences thereof.

## Enforcement

Any employee who is found to have violated this policy may be subject to disciplinary action, up to termination of employment.

Sl.No.	Policy Name	Policy No	Effective Date
4	<b>Maker Checker Concept</b>	ITP-004	31-Aug-18

**Maker-checker** is one of the central principles of authorization in the information systems of ABC Company. The principle of Maker and Checker means that for each transaction, there must be at least two individuals necessary for its completion. While one individual may create a transaction, the other individual should be involved in confirmation/authorization of the same.

There is every possibility of a mistake creeping in a transaction, if a single person handles the entire process of the transaction in the system. The Maker& Checker is a procedure followed in all major financial institutions to do away with such accidental / procedural mistakes created. This ensures that the transaction is done with four eyes principle and the person in charge who is answerable to the functions of the branch/HO as the approving authority, is part of the sanction process of the loans and other transactions in the system.

The important points of the Maker-Checker are mentioned below for deeper understanding and effective functioning.

1. The Maker is the person who enters the transaction in the computer system. He / She enters all the relevant details in the Software Module. Once entered, it is submitted for approval of the Checker.
2. The Checker is the person in charge who has to verify the details of the transaction entered by the maker logging in his / her login ID. He/ She should go through the details of the transactions entered by the maker and verify the same. Once satisfied, Checker can approve the transaction. If the Checker feel that the transaction cannot be approved for any reasons then, the Checker can reject the transaction.
3. Once approved by the Checker, the maker can go for the printing of the documents and complete the transaction.
4. Approval matrix is created based on the amount of the transaction in the application software. Branch level and HO level approvals are required to complete the transaction categorized in different hierarchy levels.
5. In case the Maker/Checker is on leave for the day or absent for short periods then he/she have to approach their reporting authority who will allot the powers of the Checker to another person, who is the in charge in the absence of the Maker/Checker. The reporting authority should take care to re allot the



role of the Maker/Checker to the person of the branch/HO once the staff resumes for duty.

6. If the branch level authority cannot do this process due to leave or absent for short periods meeting etc., this can be done by the authorized HO official. This needs a prior intimation to HO official to do the change/ allotment of the Maker/Checker.

Sl.No.	Policy Name	Policy No	Effective Date
5	<b>Information Security Policy</b>	ITP-005	31-Aug-18

### Purpose

This policy establishes the integral foundation for security standards, processes and procedures of Information Security that will be followed by the organization

### Scope

The policy applies to all users of information technology within the company. Policy also applies to all data assets of the organization which includes,

1. Intellectual property owned by company or provided by a third party.
2. Personally Identifiable Information for employees, clients or other third parties.
3. Financial and business information of the company, its employees, clients or other third parties.
4. All Public or Private data or information assets of the company.

### Policy

The IT Department must establish and provide governance for information technology policies, procedures, and best practices for the company's technology infrastructure in order to secure all IT assets and promote the most efficient use of technology resources.

The IT Department will submit a report to the Board of Directors at its monthly meeting of each calendar year, and submit interim reports at the request of the Board, on the current status of the company's technology policies and procedures.

Data Protection Mechanism:

All privileged data information will be protected by data protection mechanisms to ensure the highest levels of confidentiality, integrity and availability. Non-privileged information will be protected to ensure the highest levels of integrity and availability. Information systems will check entered information for accuracy, completeness, validity and authenticity. Information systems will be configured such that they prevent unauthorized and unintended information transfer.

Responsibilities of IT Department:

1. Determine appropriate security policy requirements based on its business objectives,
2. Assessment of risk, and interpretation of legal, regulatory and contractual obligations

3. Validate that the security controls meet the company requirements driven by security policy and risk acceptance
4. Notify security requirements of changes through a change request process
5. Facilitating training for improving better IT Security controls
6. Request exceptions to the documented information security controls, as necessary

All operating units within the company that use information technology (IT) are responsible for:

1. Adhering to the IT policies issued by the IT Department.
2. Developing and implementing, when appropriate, additional IT policies and procedures specific to their operating units.
3. Promoting IT policy adherence.
4. Complying with the requirements of the IT governance model adopted by the organization.
5. Ensuring the security of the IT systems and the network to which they are connected.
6. Informing the IT Department if there are any problems with a policy or if inputs from other sources do not comply with the defined policies.
7. Providing an annual "refresher" for current employees highlighting the changes made or problem areas during the previous year.
8. Maintaining the functionality of the IT systems within their area.
9. Facilitating training and the dissemination of information.
10. Preventing unauthorized access to company information, personal files and e-mail.
11. Developing and maintaining a plan for recovery of mission critical data and systems if a loss is sustained.

Sl.No.	Policy Name	Policy No	Effective Date
6	Cybersecurity Policy	ITP-006	31-Aug-18

### Purpose

Objective of the Cyber Security Policy is to preserve confidentiality, integrity and availability of organizations information or system in the Cyberspace (internet) or connected to cyberspace. Cyberspace is defined as "the complex environment resulting from the interaction of people, software and services on the Internet by means of technology devices and networks connected to it". The purpose of this policy are to ensure the appropriate and inappropriate use of company internet resources, including the use of browsers, electronic mail, instant messaging, file upload and downloads and voice communications etc.

### Scope

Is to protect organization, its information assets and its stake holders from cyber-attacks or internet bone attacks. All devices, systems connected to internet and all stakeholders in the scope.

### Policy

1. IT Department must ensure:
  - a. Cyber security roles and responsibilities are defined, coordinated and aligned with internal roles and external partners
  - b. Must establish a cyber-security Framework which enable to identify, protect and detect, respond and recovery from Cyber-attacks.
  - c. The organization's place in its own industry ie NBFC sector is identified and communicated to all stakeholders
  - d. Dependencies and critical functions for delivery of critical services are established
  - e. Resilience requirements to support delivery of critical services are established for all operating states (e.g. under duress/attack, during recovery, normal operations)
  - f. Cyber supply chain risk management processes are identified, established, assessed, managed, and agreed to by organizational stakeholders
  - g. Suppliers and third party partners of information systems, components, and services are identified, prioritized, and assessed
  - h. Contracts with suppliers and third-party partners are used to implement appropriate measures designed to meet the objectives of an organization's cyber security program
  - i. Response and recovery planning and testing are conducted with suppliers and third-party providers
  - j. Establish Computer Emergency Response Teams (CERT) and establish practices for sharing risk-related information (e.g., threat and

- vulnerability information) with external entities, including those with which the organizations have a risk relationship as well as those which could supply or receive risk-related information (Other CERTs)
- k. The organization's personnel and partners are provided cyber security awareness education and are trained to perform their cyber security-related duties and responsibilities consistent with related policies, procedures, and agreements.
2. Technical Controls
    - a. File Integrity checking mechanisms are used to verify software, firmware, and information integrity
    - b. A baseline configuration of IT system is created and maintained incorporating security principles
    - c. A vulnerability management system is implemented
    - d. Mechanisms (e.g. failsafe, load balancing, hot swap, DOS/DDOS protection) are implemented to achieve resilience requirements in normal and adverse situations
    - e. Establish SOC and baseline of network operations and expected data flows for users and systems is established and managed. The network is monitored to detect potential cyber security events
    - f. Event data are collected and correlated from multiple sources and sensors
    - g. Physical environment and Personnel activity are monitored to detect potential cyber security events
    - h. Setup Security Continuous Monitoring for unauthorized mobile code and malicious code detection
  3. Incident Response
    - a. Response processes and procedures are executed and maintained, to ensure response to detected cyber security incidents and Response plan is executed during or after an incident
    - b. Voluntary information sharing occurs with external stakeholders to achieve broader cyber security situational awareness
    - c. Processes are established to receive, analyze and respond to vulnerabilities disclosed to the organization from internal and external sources (e.g. internal testing, security bulletins, or security researchers)
    - d. Analysis is conducted to ensure effective response and support recovery activities
    - e. Activities are performed to prevent expansion of an event, mitigate its effects, and resolve the incident. Newly identified vulnerabilities are mitigated or documented as accepted risks
    - f. Organizational response activities are improved by incorporating lessons learned from current and previous detection/response activities
  4. Recovery

- a. Recovery processes and procedures are executed and maintained to ensure restoration of systems or assets affected by cyber security incidents
- b. Recovery planning and processes are improved by incorporating lessons learned into future activities
- c. Restoration activities are coordinated with internal and external parties (e.g. coordinating centres, Internet Service Providers, owners of attacking systems, victims, and vendors)



Sl.No.	Policy Name	Policy No	Effective Date
7	<b>Electronic channel security Policy for Mobile Financial Services, Social Media &amp; Digital Signature Certificates</b>	ITP-007	31-Aug-18

### Purpose

The organization is committed to ensuring compliance to all requirements including legal, regulatory, organizational policies and ensures any changes in the security measures to enhance e-channel security must be carried out in a controlled manner with appropriate records maintained.

### Scope

All electronic channel based assets which are owned or leased or outsourced.

### Policy

1. Implement adequate security measures on the internal networks and network connections to public network or remote parties. Segregate internal networks into different segments having regard to the access control needed for the data stored in, or systems connected to, each segment
2. Maintain access security logs and audit trails. These should be analyzed for suspicious traffic and/or intrusion attempts
3. Passwords shall be encrypted when stored on the databases and should not be readable when decrypted and should also be one way hashed
4. All connections to the Applications must go through firewalls
5. Conduct regular audit to assess the adequacy and effectiveness of the risk management process and the attendant controls and security measures.
6. Perform vulnerability test or assessment to evaluate the information security policies, internal controls and procedures, as well as system and network security
7. Conduct penetration testing at least annually
8. Any High value transaction and transfer of critical information must protected by strong digital signatures.
9. Implement "end-to-end" Secure Sockets Layer (SSL) encryption that is appropriate to the sensitivity and importance of data to protect confidentiality of information while it is stored or in passage over external and internal networks. TLS – recent versions secured encryption algorithm should be used.
10. Any communication occurring in a Social Media must be respectful to the company, fellow employees, our affiliates, and our business partners.
11. The company may request at any time that you cease any communication concerning the company in Social Media or require you to block access to such communication if the company believes that such action is necessary to ensure compliance with government regulations or other laws.

Sl.No.	Policy Name	Policy No	Effective Date
8	<b>Business Continuity Planning Policy</b>	ITP-010	31-Aug-18

### Purpose

The purpose of this policy is to create and maintain a Business Continuity Plan (BCP) for the IT support of critical company processes. An effective plan allows the company to minimize the adverse effect of emergencies that arise. The Company has an ethical obligation to the Organization's workforce, shareholders, and customer stakeholders to protect the continuing operations of the business.

### Scope

This policy encompasses all IT processes and technology that supports critical business functions.

### Policy

The IT Department is responsible for creating, maintaining, and testing the IT Business Continuity Plan. The following activities must be performed:

#### Identify Critical Processes.

To identify the business processes critical to the company's financial and legal well-being, a bi-annual Business Impact Analysis (BIA) is conducted. The result is a Recovery Time Objective—that point at which company losses become intolerable (Recovery Time Objective—RTO). The IT Business Recovery Plan must ensure that critical IT processes (equipment and software) can be recovered at a remote site within the RTO.

The IT Department initiates and submit the BIA. The BIA will:

1. Encompass all departments and areas of the company.
2. Identify the point in time that the financial and legal issues seriously threaten the company's survival.
3. Identify the processes required to meet all regulatory requirements.
4. Include a risk assessment of natural and man-made risks to the critical processes.

#### Business Continuity Planning.

The IT Department will assemble plans for every identified critical business function.

1. Develop the plan.
  - a. Develop plans for the recovery IT processes, equipment, and software for all critical business processes identified by the BIA. These plans must address steps necessary to reestablish the IT functions at an emergency recovery location.

- b. Based on the BIA, publish a restoration priority list of all critical technologies.
  - c. Create an emergency notification program to ensure the prompt notification of executive management in a crisis
2. Maintain the plan.
    - a. Test all IT Business Continuity Plans at least bi-annually to demonstrate the ability to achieve the BIA determined Recovery Time Objective. Conduct a lessons-learned session with all participants to capture and incorporate improvements into the plans.
    - b. Report all test results to the management by IT Department within 30 days of the test's completion.
  3. Training.
    - a. Train all members of the IT department in their roles in supporting the BCP.
    - b. Train all new employees on their roles within 30 days of joining the department

Coordinate with other company disaster plans. The IT manager will coordinate the IT BCP with:

1. The Facilities Disaster Recovery plan and the Security/Safety department's crisis plan.
2. The various business recovery plans of other departments.

Sl.No.	Policy Name	Policy No	Effective Date
9	<b>Data Backups and Retention Policy</b>	ITP-011	31-Aug-18

### Purpose

This policy guides the frequency and type of data backups. It also addresses the length of time that backups must be retained.

### Scope

The policy applies to all devices that hold or accumulate data in the support of critical company operations, to include servers, business applications, data base, surveillance systems, access controls, voice logger, Firewall devices, Telecommunications switches, PCs etc.

### Policy

The IT Department is responsible for making and retaining an adequate number of data backup "safety" copies. To accomplish this, the IT Department may create further policies and procedures and delegate authority to implement them.

### Devices

Data backups will be made of all devices that contain or collect data, to include at a minimum:

1. Servers and their internal disks
2. Storage Area Networks
3. Telecommunications switches (PBX)
4. surveillance systems
5. Desktop /Laptop PCs
6. Firewall

### Types of Data

1. Personal data is not to be stored on company equipment.
2. Legal compliance data—must be identified. The label on the backup media must include what data it contains and the appropriate retention period. Care must be taken to ensure the data is securely stored.
3. Business critical data—must be identified. The label on the backup media must include what data it contains and the appropriate retention period. Quick access to this data is required in the event of a disaster.
4. Non-critical data—must be identified. Non-critical data is not legally required to be retained for a period of time. Typically this data is deleted after 13 months. The label on the backup media must include what data it contains and the appropriate retention period.

## Data Backup Frequency

The frequency of data backups is determined by how frequently and how much a data storage element changes.

1. Full backups weekly—all data is backed up weekly and retained for 12 months.
2. Incremental backups daily for changing data. These are retained for 30 days.
3. Off-site journaling is used for immediate backup of critical data that cannot be reconstructed from daily backups.

## Data Retention

The organization retention period is determined by the data element with the longest required retention period on that backup media. If the contents of the media are not known, then the media must be retained for a minimum of seven years.

## Off-site Storage

1. Data backups will be transported off site every week after the backups are created.
2. Once every calendar quarter, the IT Department will audit the off-site storage process to ensure that:
  - a. Media is kept in a climate-controlled environment during transit.
  - b. The storage facility is secure and fire proof.
  - c. The storage facility is climate controlled.
  - d. The data center security is appropriate for media going out and for media coming in.
  - e. There is a documented chain of custody for backup media from the point it leaves the data center until it is returned.

## Data Destruction

Data that has outlived its usefulness to the business, and whose age exceeds the legal limits for retention, must be properly destroyed.

1. The media must be rendered permanently unreadable. This is primarily accomplished through physical destruction. Paper documents are shredded, burned, and the ashes pulped. CDs and magnetic media are shredded.
2. When data is destroyed, it must be documented as to whom, by what means, when, and what the data consisted of.

Sl.No.	Policy Name	Policy No	Effective Date
10	<b>E-mail Usage and Retention Policy</b>	ITP-012	31-Aug-18

### **Purpose**

This policy defines the acceptable use of the company's corporate e-mail system. The objectives of this policy are to outline appropriate and inappropriate use of ABC Company's e-mail systems and services in order to minimize disruptions to services and activities, as well as comply with applicable policies and laws.

### **Scope**

The policy applies to all uses of company owned e-mail accounts and all company e-mail records.

### **Policy**

#### **Acceptable Uses of Company E-mail Accounts**

The company provides e-mail accounts for business usage only. Every staff member has the responsibility to maintain and enhance the company's public image and to use the company's e-mail system in a responsible and productive manner that reflects well on the company.

#### **Unacceptable Uses of Company E-mail Accounts**

Company e-mail accounts may not be used for transmitting, retrieving, viewing, or storage of any communications of a discriminatory or harassing nature or materials that are obscene. Harassment of any kind is prohibited. No messages with derogatory or inflammatory remarks about an individual's race, age, disability, religion, national origin, physical attributes, or sexual preference shall be transmitted. No excessively abusive, profane, or offensive language is to be transmitted through the company's e-mail system. E-mail messages or attachments may also not be used for any purpose that is illegal or against company policy or contrary to the company's best interests. Solicitation of non-company business, or any use of the company e-mail system for personal gain, is prohibited.

### **Communications**

Each employee is responsible for the content of all text, audio, or images that he or she places or sends over the company's e-mail system. All e-mails must contain the identity of the sender and may not represent the sender as someone else or someone from another company.

Any messages or information sent by an employee to another individual outside the company via an electronic network (e.g., blog, IM, bulletin board, online service, or Internet) are statements that reflect on the company. While some users include personal "disclaimers" in electronic messages, there is still a connection to the



company, and the statements may legally be tied to the company. Therefore, we require that all communications sent by employees via the company's e-mail system comply with all company policies and not disclose any confidential or proprietary company information.

### **Privacy**

E-mails are not private. The company reserves the right to monitor e-mail content ensuring that the e-mail system is used for appropriate purposes. Also, no security is hundred percent hacker-proof; someone outside the company may intercept and read e-mail. Routing of e-mail is not without errors; someone other than the intended recipient may receive the e-mail. Do not send anything by e-mail that should not be placed on the company bulletin board.

### **Personal E-mail Accounts**

Accessing personal e-mail accounts is prohibited from company-owned computers, as they are a potential source of computer viruses. No company-related communication is permitted using personal e-mail accounts, as the communication may be subject to the company's communication retention policy.

### **Spam**

Sending unwanted e-mail of any kind (spam) using a company e-mail account is prohibited.

### **Copyright Issues**

Employees on the company's Internet system may not transmit copyrighted materials belonging to entities other than this company. Please note that non-adherence to this policy puts the company in serious legal jeopardy and opens the company up to significant lawsuits and public embarrassment. All employees obtaining access to other companies' or individuals' materials must respect all copyrights and may not copy, retrieve, modify, or forward copyrighted materials, except with permission. Failure to observe copyright or license agreements may result in disciplinary action up to and including termination. If you have questions about any of these legal issues, please speak with your manager or IT department before proceeding.

### **Monitoring**

The company routinely monitors usage patterns in its Internet communications. The reasons for this monitoring include cost analysis, security, bandwidth allocation, and the general management of the company's gateway to the Internet. All messages created, sent, or retrieved over the company's Internet are the property of the company and should be considered public information. Notwithstanding comments above regarding our present intention not to monitor content, the company must reserve the right to access and monitor the content of all messages and files on the company's Internet system at any time in the future with or without notice. Employees should not assume electronic communications are totally private and

should transmit highly confidential data in other ways. Electronic messages regarding sensitive matters should warn that such communications are not intended to be secure or confidential. This is just good business sense.

### **Retention**

Company communications of any kind typically needs to be retained as you would any other corporate document. Please remember that e-mails deleted from your e-mail inbox are still saved on the company e-mail server. E-mails that are not managed as part of the corporate document retention policy are kept archived for seven years before being permanently deleted.

### **Attachments**

Attachments with the following file extensions are prohibited, as they are potential security and virus threats:

.bat	Batch processing file used to execute system commands or programs.
.com	Windows command files.
.cpl	Control panel extension.
.exe	Windows binary executable files.
.js	Java script files.
.ocx	Object linking and embedding control.
.pif	Program information file used to tell Windows how to run non-Windows applications.
.scr	Screen saver programs; may include binary code.
.sys	System configuration files.
.vb	Visual Basic script files.

There is also a limit of 10MB of attachments for any e-mail message. Contact the IT Helpdesk if you have a need to transfer more than 10MB of files at any one time.

### **Confidentiality**

Any e-mail message that is meant to be confidential must be labeled as such in the subject line. Forwarding of confidential messages requires the permission of the original sender. The corporate e-mail system will automatically attach a confidential message notification to all e-mails that are sent to addresses outside the

organization. Do not attach your own individual confidentially notice as this will be redundant and may be inconsistent with the official company message.

### **Violations**

Any employee who abuses the privilege of company-facilitated access to the Internet will be subject to corrective action up to and including termination. If necessary, the company also reserves the right to advise appropriate legal officials of any illegal violations.

**BY THE ORDER OF THE BOARD**  
**For VIKAS MONEY LIMITED**

**MANAGING DIRECTOR**

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**CC:**

- 1. Legal Department**
  - 2. Administration Department**
  - 3. HR Department**
-

## Know Your Customer (KYC) And Prevention of Money Laundering Activities/CFT Policy

In exercise of the powers of the board of directors conferred by the Articles of Association of the company and pursuant to the guidelines issued by the Reserve Bank of India, the board hereby notifies the guidelines to be while fixing the interest rates of the loan products and services of the company.

**NAME:** These guidelines may be called The Know Your Customer (KYC) And Prevention of Money and CFT (Combating of Financing of Terrorism) Laundering Activities Policy

In terms of the Master Direction – Know Your Customer (KYC) Direction, 2016 issued by Reserve Bank of India (RBI), as amended from time to time, and in terms of the provisions of Prevention of Money-Laundering Act, 2002 and the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005, as amended from time to time by the Government of India as notified by the Government of India, banks being Regulated Entities (REs) are required to follow certain customer identification procedures while undertaking a transaction either by establishing an account-based relationship or otherwise and monitor their transactions. Banks are also required to implement the provisions of the aforementioned Act and Rules, including operational instructions issued in pursuance of such amendment(s). This KYC AML CFT policy has thus been framed in accordance with the regulatory guidelines on KYC (Know Your Customer), AML (Anti Money Laundering), and CFT (Combating of Financing of Terrorism).

**APPLICABILITY:** This policy is applicable to all loan products/investment products sanctioned by the company

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### OBJECTIVE

The KYC AML policy is framed in line with RBI Direction / Prevention of the Money Laundering Act, 2002 /Rules as amended from time to time.

The KYC policy has been framed by the Company for the following purposes:

1. To prevent criminal elements from using Company for Money Laundering and Terrorist Funding activities;
2. To put in place an effective system and procedure for Customer identification and verifying its / his / her identity and residential address.
3. To enable Company to know and understand its customers and their financial dealings better which, in turn, would help the Company to manage risks prudently;

4. To put in place appropriate controls for detection and reporting of suspicious activities as envisaged under the Anti Money Laundering Act, 2002 and in accordance with laid down procedures;
5. To comply with applicable laws and regulatory guidelines;

## DEFINITIONS

- 1) "Customer "means;
  - a) a person who is engaged in a financial transaction or activity with VIKAS MONEY LIMITED and includes a person on whose behalf the person who is engaged in the transaction or activity, is acting.
  - b) any other person connected with a financial transaction which can pose significant reputation or other risks to VIKAS MONEY LIMITED.
  
- 2) "Senior Management"  
Senior Management for the purpose of the policy shall constitute Executive Directors, Managing Director, Deputy General Manager – Business Operations, Managing Director
  
- 3) "Obtaining certified copy of Officially Valid Document (OVD)" – Means comparing the copy of OVD with the original and recording the same on the copy by authorized officer of VIKAS MONEY LIMITED.

Provided that in case of Non-Resident Indians (NRIs) and Persons of Indian Origin (PIOs), as defined in Foreign Exchange Management (Deposit) Regulations, 2016 {FEMA 5(R)}, alternatively, the original certified copy of OVD, certified by any one of the following, may be obtained:

- a) authorised officials of overseas branches of Scheduled Commercial Banks registered in India,
- b) branches of overseas banks with whom Indian banks have relationships,
- c) Notary Public abroad,
- d) Court Magistrate,
- e) Judge,
- f) Indian Embassy/Consulate General in the country where the non-resident customer resides.

Certified OVD shall also contain the customer id number and shall be filed carefully for future verification.

## KEY ELEMENTS OF THE POLICY

This policy is applicable to all business operations and services, Money Transfer Services, etc and also applicable to business verticals of VIKAS MONEY LIMITED and it is to be read in conjunction with related operational guidelines issued from time to time.

The policy includes the following key elements:

- 1) Customer Acceptance Policy (CAP)
- 2) Customer Identification Procedures (CIP)
- 3) Monitoring of Transactions
- 4) Risk Management

### **CUSTOMER ACCEPTANCE POLICY (CAP)**

VIKAS MONEY LIMITED'S CAP lays down criteria for acceptance of customers. While taking decision to grant any facilities to the customers as well as during the continuation of any facilities the following norms and procedures will be followed by the company

- a) No account will be opened in anonymous or fictitious/benami name.
- b) Customers will be accepted only after verifying their identity, as laid down in Customer Identification Procedures. Necessary checks will be done before opening a new account to ensure that the identity of the Customer does not match with any person with known criminal background or with banned entities.
- c) VIKAS MONEY LIMITED will refrain from opening an account where the company is unable to apply appropriate Customer Due Diligence (CDD) measures either due to non-cooperation of the customer or non-reliability of the documents/information furnished by the customer.
- d) No transaction or account-based relationship shall be undertaken without the
- e) Customer Due Diligence procedure (CDD), set out in this policy.  
A Unique Customer Identification Code (UCIC) shall be allotted to new and existing customers. VIKAS MONEY LIMITED shall apply the CDD procedure at the UCIC level. Thus, if an existing KYC compliant customer of VIKAS MONEY LIMITED desires to open another account with VIKAS MONEY LIMITED, there shall be no need for a fresh CDD exercise.

Implementation of CAP should not become too restrictive and result in denial of the VIKAS MONEY LIMITED 's services to general public, especially those who are financially or socially disadvantaged

## **CUSTOMER IDENTIFICATION PROCEDURE (CIP)**

Customer Identification involves verification of customer's identity by using reliable, independent source documents, data or information. VIKAS MONEY LIMITED shall obtain enough information necessary to verify the identity of each Customer. A broad guideline for the customer identification is given below:

VIKAS MONEY LIMITED shall ensure that Customer identification process is undertaken, whenever;

- a) an account-based relationship is being established;
- b) carrying out any international money transfer operations for a person who is not an account holder;
- c) there is doubt about the authenticity or adequacy of customer identification data already obtained. transactions with walk in customers, where the amount involves equal or exceeds rupees fifty thousand, whether conducted as a single transaction or several transactions that appear to be connected.
- d) When VIKAS MONEY LIMITED has reasons to believe that a customer is intentionally Structuring transactions into a series of transactions below the threshold of Rupees Fifty thousand.

## **CUSTOMER DUE DILIGENCE PROCEDURE (CDD) IN CASE OF INDIVIDUALS**

For undertaking CDD, VIKAS MONEY LIMITED shall obtain the following from an individual while establishing an account-based relationship or while dealing with individual who is a beneficial owner, authorised signatory or power of attorney holder related to any legal entity;

- a. A certified copy of Officially Valid Documents (OVD), as given in Annexure I, containing details of proof of their identity and address;
- b. One recent photograph (For the gold loan customers capturing of photos of the individuals and keeping in the ERP to be continued);
- c. A certified copy of the Permanent Account Number or Form No. 60 as defined in Income-tax Rules, 1962;
- d. and such other documents pertaining to the nature of business or financial status specified in this policy.

VIKAS MONEY LIMITED may carry out Offline Verification of customers if they are desirous of undergoing Aadhaar Offline Verification for identification purposes.



Wherever Aadhaar details are collected, it shall be ensured that customers have redacted or blacked out their Aadhaar numbers through appropriate means.

The e-KYC service of Unique Identification Authority of India (UIDAI) shall be accepted as a valid process for KYC verification, when NBFCs or itself are authorised by RBI to do such verification for establishing account-based relationship.

### **CUSTOMER DUE DILIGENCE BY THIRD PARTY**

In compliance of the KYC regulations, VIKAS MONEY LIMITED may rely on the customer due diligence done by third parties, which are regulated entities, for verifying identity of customers at the time of commencement of account-based relationship, subject to the following conditions.

- a) Records or information of the customer due diligence carried out by the third party is obtained within 2 days from the third party or from Central KYC Records Registry.
- b) VIKAS MONEY LIMITED is satisfied those copies of the identification data and other relevant documents relating to the customer due diligence requirements will be available from the third party up on request without delay.
- c) The third party is regulated, supervised or monitored and has capabilities to comply with the customer due diligence and record keeping requirements as prescribed in the Prevention of Money Laundering Act.
- d) The third party shall not be based in a country or jurisdiction assessed as high risk. The ultimate responsibility for customer due diligence and undertaking enhanced due diligence measures, as applicable will be that of VIKAS MONEY LIMITED. (Description of Regulated entities are given in Annexure II)

### **SIMPLIFIED PROCEDURES FOR SMALL VALUE GOLD LOANS:**

For customers with aggregate loans below Rs.0.50 lakh, Proof of Identity alone will be sufficient provided the customer gives full and complete address in the loan application form and his telephone number is confirmed by the branches to be correct.

If a person is unable to produce identity documents as mentioned in Annexure I (i.e., any of OVDs), interim / Temporary KYC documents such as Labour card, Civil ID card, Credit Card, Employer Company ID card, LIC card, State ID card, Bank Pass Book, etc. may be accepted subject to the following conditions:

- a. The customer shall provide a self-attested photograph of the customer.

- b. Branch Head shall certify under his/her signature that the customer has affixed his signature or thumb impression in his presence.
- c. The account shall remain operational initially for 12 months, within which the customer must furnish his identity documents for conducting CDD as mentioned in CDD guidelines. Customer shall be suitably informed at the time of starting the relationship
- d. Maximum outstanding shall not exceed Rs 0.50 Lakh in all their accounts taken together at any point of time and the total credit in all the accounts taken together shall not exceed Rs. 1.00 lakh in a year.
- e. The customer shall be made aware that no further transaction will be permitted until full KYC procedure is completed in case of condition no. d. above is breached.
- f. Regularization of Interim/Temporary KYC: In order not to inconvenience the customer, the VIKAS MONEY LIMITED shall notify the customer when the balance reaches rupees forty thousand (Rs. 40,000/-) or the total credit in a year reaches rupees eighty thousand (Rs. 80,000/-) that appropriate documents for conducting the KYC must be submitted and that otherwise the operations in the account will be stopped when the total balance in all the accounts taken together exceeds Rs 0.50 Lakh at any point of time or the total credit in the accounts in year exceeds Rs 1.00 Lakh.

KYC verification once done by one branch shall be valid for transfer of account to any other branch, provided full KYC verification has already been done and the same is not due for periodic updation.

### **SELLING THIRD PARTY PRODUCTS**

While selling third party products, VIKAS MONEY LIMITED shall comply with the following directions:

- a. Identity and address of the walk-in customers shall be verified for transactions above Rs 0.50 lakh, whether conducted as a single transaction or several transactions that appear to be connected.
- b. Transaction details of sale of third-party products and related records shall be maintained as specified under this policy.

- c. AML software capable of capturing, generating and analysing alerts for the purpose of filing CTR/STR in respect of transactions relating to third party products with customers including walk-in customers shall be made available.
- d. Transactions involving Rs 0.50 lakh and above shall be undertaken only by:
  - a) Debit to customer's account or against cheque, transfer from banks / debit cards / credit card etc.
  - b) Obtaining and verifying PAN (regular customer as well as walk in customer).

**Note:** Direction no. d shall also apply to sale of VIKAS MONEY LIMITED 's own products, sale and reloading of prepaid / travel cards and any other products for Rs 0.50 lakh and above

### ISSUANCE OF PREPAID PAYMENT INSTRUMENTS (PPI)

With regard to the PPI, VIKAS MONEY LIMITED shall ensure that the instructions issued by Department of Payment and Settlement System of Reserve Bank of India through their Master Direction are strictly adhered to.

### MONITORING OF TRANSACTIONS

- a. VIKAS MONEY LIMITED shall monitor transactions of a suspicious nature on an ongoing basis for the purpose of reporting it to the appropriate authorities. (An illustrative list of suspicious transactions is given in Annexure III). The extent of monitoring by the VIKAS MONEY LIMITED will depend on the risk sensitivity of the account and special attention will be given to all complex unusually large transactions, which have no apparent economic or lawful purpose.
- b. VIKAS MONEY LIMITED shall exercise caution with respect to the transactions with persons (including legal persons and other financial institutions) from the countries which have been identified by Financial Action Task Force (FATF) as high risk and non-cooperative jurisdictions with respect to compliance with the FATF Recommendations, 2012.
- c. VIKAS MONEY LIMITED shall file Suspicious Transaction Report (STR), Cash Transaction Report (CTR), counterfeit currency report (CCR) and other applicable reports filling under FATCA in terms of the direction of the RBI/PMLA in respect of all products/ services.

### ONGOING DUE DILIGENCE

- a. VIKAS MONEY LIMITED shall undertake on going due diligence of customers to ensure that their transactions are consistent with their knowledge about the customers, customers' business and risk profile; and source of funds.

- b.** Any unusual pattern in the operations of the accounts like transactions exceeding threshold limits, high turnover in the accounts compared to the average outstanding etc shall be closely monitored. The extent of monitoring shall be aligned with the risk category of the Customer and high-risk category accounts shall be subjected to more intensified monitoring.
- c.** A system of periodic review of risk categorisation of accounts, with such periodicity being at least once in six months, and the need for applying enhanced due diligence measures shall be put in place.

### **PERIODIC UPDATION**

Periodic updation shall be carried out at least once in every two years, for high-risk Customers, once in every eight years for medium risk Customers and once every ten years for low-risk Customers as per the following procedure:

- a.** CDD as specified in above shall be carried out at the time of updation. In the case of low-risk customers when there is no change in status with respect to their identities and addresses, a self-declaration to that effect shall be obtained.
- b.** In case of legal entities, VIKAS MONEY LIMITED shall review the documents sought at the time of opening of account and obtain fresh certified copies.
- c.** Physical presence of the customers need not be insisted up on for the purpose of furnishing OVD or furnishing consent for Aadhaar Offline verification unless there are sufficient reasons for their physical presence to establish their bona-fides. In normal case, OVD/Consent forwarded by the customer through mail/post, etc., can be accepted.
- d.** VIKAS MONEY LIMITED may provide an acknowledgement with date of having performed KYC updation

(Note: The time limits prescribed above would apply from the date of opening of the account/ last verification of KYC.)

### **EXISTING CUSTOMERS**

In case of existing customers, VIKAS MONEY LIMITED shall obtain PAN or Form No.60 by such date notified by the Central Government, falling which VIKAS MONEY LIMITED shall temporarily cease operations in the account till the time the PAN number of Form No.60 is submitted by the customer.

Prior to ceasing operations of an account temporarily, VIKAS MONEY LIMITED shall give the clients an accessible notice and reasonable opportunity to be heard. VIKAS

MONEY LIMITED may allow relaxations for continued operations of the account, if the borrower is unable to provide these documents due to injury, infirmity on account of old age or otherwise etc for a maximum period of 6 months. These relaxations shall be permitted by Senior Management.

Operations of the customers without PAN or Form No.60 shall be monitored closely and shall ensure that transaction does not exceed Rs 5 lakh.

For gold loan customers, a copy of the PAN Card of the borrower shall be collected for all transaction above 5 lakhs

### **RISK MANAGEMENT**

VIKAS MONEY LIMITED has put in place appropriate procedures to ensure effective implementation of KYC guidelines.

- a. Risk categorization of Customers shall be undertaken based on various factors, such as nature of employment, business activity of the Customer, location of Customer and his/its clients, mode of payments, volume of turnover, social / financial status and credit history. VIKAS MONEY LIMITED has categorized its customers into 'High Risk / Medium Risk / Low Risk' based on the profile of the customers. VIKAS MONEY LIMITED shall apply higher due diligence measures keeping in view the risk level
- b. VIKAS MONEY LIMITED has developed robust underwriting procedures for on boarding borrowers, which include verification of ownership of the gold ornaments (in the case of gold loans), assessment of financial resources of the borrowers, collection of their market reports etc (for other loans).
- c. VIKAS MONEY LIMITED's internal audit periodically evaluate the level of adherence to the KYC procedures. Audit function shall provide an independent evaluation of the effectiveness of KYC policies and procedures, including legal and regulatory requirements.

### **MONEY LAUNDERING AND TERRORIST FINANCING RISK ASSESSMENT**

VIKAS MONEY LIMITED shall carry out 'Money Laundering (ML) and Terrorist Financing (TF) Risk Assessment' exercise periodically to identify, assess and take effective measures to mitigate its money laundering and terrorist financing risk for clients, countries or geographic areas, products, services, transactions or delivery channels, etc.

The assessment process should consider all the relevant risk factors before determining the level of overall risk and the appropriate level and type of mitigation to be applied. While preparing the internal risk assessment, cognizance of the overall

sector-specific vulnerabilities if any, that the regulator/supervisor may share from time to time shall be taken.

The risk assessment exercise shall be conducted on a quarterly basis and parameters of the assessment shall be modified, in alignment with the outcome of the risk assessment exercise. An internal document detailing the assessment process may be kept separately for the same.

The outcome of the exercise shall be put up to Risk Management Committee and should be available to competent authorities and self-regulating bodies.

### **ENHANCED DUE DILIGENCE**

**Accounts of Politically Exposed Persons (PEP):** Special care and diligence will be taken in respect of Politically Exposed Persons. Generally, the VIKAS MONEY LIMITED would not open accounts of PEP. Decision to deal with such persons as a Customer shall be taken up at a senior management level and shall be subjected to enhanced monitoring.

**Accounts of non-face-to-face customers:** These customers are those who opened accounts without visiting the branches / offices of VIKAS MONEY LIMITED or meeting its officials. VIKAS MONEY LIMITED shall ensure that first payment from these accounts shall be affected through the customers' KYC-Complied account with another Regulated Entity.

**Client accounts opened by professional intermediaries:** VIKAS MONEY LIMITED shall ensure while opening client accounts through professional intermediaries, that:

- a. Clients shall be identified when client account is opened by a professional intermediary on behalf of a single client.
- b. VIKAS MONEY LIMITED shall have option to hold 'pooled' accounts managed by professional intermediaries on behalf of entities like mutual funds, pension funds or other types of funds.
- c. VIKAS MONEY LIMITED shall not open accounts of such professional intermediaries who are bound by any client confidentiality that prohibits disclosure of the client details to VIKAS MONEY LIMITED.
- d. All the beneficial owners shall be identified where funds held by the intermediaries are not co-mingled at the level of VIKAS MONEY LIMITED, and there are 'subaccounts', each of them attributable to a beneficial owner, or where such funds are co-mingled at the level of VIKAS MONEY LIMITED, the VIKAS MONEY LIMITED shall look for the beneficial owners.
- e. VIKAS MONEY LIMITED shall, at their discretion, rely on the 'customer due diligence' (CDD) done by an intermediary, provided that the intermediary is a

regulated and supervised entity and has adequate systems in place to comply with the KYC requirements of the customers.

- f. The ultimate responsibility for knowing the customer lies with VIKAS MONEY LIMITED.

### **CONFIDENTIALITY OF INFORMATION ABOUT CUSTOMERS**

All the information collected from the customers by VIKAS MONEY LIMITED shall be kept confidential and all such information shall be treated as per the agreement/terms and conditions signed by the customers. Additionally, the information sought from each Customer should be relevant to the risk perceived in respect of that Customer, should not be intrusive and should be in line with the guidelines issued by the RBI in that behalf.

Information collected from customers shall not be divulged for the purpose of cross selling, or for any other purpose without the express permission of the customer.

Exception to the confidentiality of customer information shall be as under:

- a. Where disclosure is under compulsion of law.
- b. Where there is a duty to the public to disclose.
- c. The interest of the company requires disclosure.
- d. Where the disclosure is made with express or implied consent of the customer.

### **MAINTENANCE OF RECORDS OF TRANSACTIONS**

VIKAS MONEY LIMITED shall maintain proper records of the transactions as required under the provisions of PML Act and Rules. VIKAS MONEY LIMITED shall

- a. maintain all necessary records of transactions between VIKAS MONEY LIMITED and the customer, both domestic and international, for at least five years from the date of transaction or any other higher periods specified in any other law
- b. preserve the records pertaining to the identification of the customers and their addresses obtained while opening the account and during the course of business relationship, for at least five years after the business relationship is ended.



- c. introduce a system of maintaining proper record of transactions prescribed under Rule 3 of Prevention of Money Laundering (Maintenance of Records) Rules, 2005 (PML Rules, 2005)
- d. maintain all necessary information in respect of transactions prescribed under PML Rule 3 so as to permit reconstruction of individual transaction, including the following:
  - 1. the nature of the transactions;
  - 2. the amount of the transaction and the currency in which it was denominated;
  - 3. the date on which the transaction was conducted; and
  - 4. the parties to the transaction.
- e. VIKAS MONEY LIMITED have a system for proper maintenance and preservation of information in a manner (in hard and/or soft copies) that allows data to be retrieved easily and quickly whenever required or as/ when requested by the competent authorities.

## GENERAL

### 1. Adherence to KYC guidelines by agents

- a. Agents shall be appointed only after detailed due diligence and ensuring that they are fully compliant with KYC guidelines applicable to NBFCs.
  - b. VIKAS MONEY LIMITED shall make available all information to RBI to verify the compliance with KYC guidelines. VIKAS MONEY LIMITED shall be responsible for non-compliance of KYC guidelines by agents.
2. **Principal Officer** VIKAS MONEY LIMITED has designated Managing Director as Principal Officer (PO) responsible for ensuring compliance, monitoring transactions, sharing and reporting information as required under the law/regulations.
3. **Designated Director** VIKAS MONEY LIMITED has nominated Executive Director, as Designated Director, to ensure overall compliance with the obligations under Prevention of Money laundering Act, 2002 and Rules framed thereunder, from time to time.
4. **CDD Procedure and sharing KYC information with central KYC records Registry (CKYCR)** VIKAS MONEY LIMITED shall capture the KYC information for uploading the data pertaining to all new individual accounts opened on or

after 1/4/2017 with the CKYCR in the manner mentioned in the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005, as amended from time to time. Government of India has authorised the Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI), to act as, and to perform the functions of the CKYCR.

5. **Training Programme** VIKAS MONEY LIMITED shall have adequate screening mechanism as an integral part of personnel recruitment / hiring process and also should have an ongoing employee training programs so that members of the staff are adequately trained in KYC/AML/CFT procedures. Training requirements shall have different focuses for front line staff and officer/staff dealing with new customers so that all concerned fully understand the rationale behind the KYC policies and implement them consistently.

## COMPLIANCE OF KYC POLICY

- a. VIKAS MONEY LIMITED 's internal audit and compliance functions periodically evaluate the level of adherence to the KYC policies and procedures. The compliance function and audit function together shall provide an independent evaluation of the effectiveness of KYC policies and procedures, including legal and regulatory requirements. The Audit Committee of the Board shall review adherence to the KYC guidelines at quarterly intervals.
- b. Internal Audit shall on a yearly basis conduct an evaluation of compliance functions of policies and procedures including legal and regulatory requirements.

## OTHER OPERATING INSTRUCTIONS

- a. In case of customers whose accounts have not been operated (or who have not been transacting) for more than 12 months, fresh KYC documents will need to be taken before undertaking any new transactions. System based control will be put in place.
- b. As a policy, Gold loan will be granted to individuals only and not to companies, firms, trusts etc.
- c. In the case of 'pardanashin' (veil) women, capturing of the customer's photograph (in Customer ID file on the system) may be waived provided an acceptable Proof of Identity document is furnished and KYC verification has been carried down by any of female staffs.

## ANNEXURE I

### OFFICIALLY VALID DOCUMENTS (OVD)

#### 1. Individuals

Officially Valid Documents (OVD) means the passport, the driving licence, proof of possession of Aadhaar number, the voters identity card issued by the election commission of India, job card issued by NREGA duly signed by an Officer of the state government and letter issued by the National Population Register containing details of name and address.

Provided that,

- a. where the customer submits his proof of possession of Aadhaar number as an OVD, he may submit it in such form as are issued by the Unique Identification Authority of India.
- b. where the OVD furnished by the customer does not have updated address, the following documents shall be deemed to be OVDs for the purpose of proof of address: -
  - a) utility bill which is not more than two months old of any service provider (electricity, telephone, post-paid mobile phone, piped gas, water bill);
  - b) property or Municipal tax receipt;
  - c) pension or family pension payment orders (PPOs) issued to retired employees by Government Departments or Public Sector Undertakings, if they contain the address;
  - d) letter of allotment of accommodation from employer issued by State Government or Central Government Departments, statutory or regulatory bodies, public sector undertakings, scheduled commercial banks, financial institutions and listed companies and leave and licence agreements with such employers allotting official accommodation;
- c. the customer shall submit OVD with current address within a period of three months of submitting deemed OVDs
- d. where the OVD presented by a foreign national does not contain the details of address, in such case the documents issued by the Government departments of foreign jurisdictions and letter issued by the Foreign Embassy or Mission in India shall be accepted as proof of address.

### Non-Individuals (Companies, Firms, Trusts etc.)

KYC norms are applicable to non-individuals also. The requirements are as under

Companies	<p>Certified copies of each of the following documents shall be obtained:</p> <ul style="list-style-type: none"> <li>a) Certificate of incorporation with Memorandum &amp; Articles of Association</li> <li>b) Resolution of Board of Directors for opening the account and Power of Attorney / authorization of persons to operate the account on its behalf</li> <li>c) PAN allotment letter/ PAN of the Company</li> </ul> <p>Documents as specified in para 1 above of the individuals holding attorney /authorisation to transact on company's behalf.</p>
Partnership Firms	<p>Certified copies of each of the following documents shall be obtained:</p> <ul style="list-style-type: none"> <li>a) Registration certificate.</li> <li>b) Partnership deed.</li> <li>c) PAN of the partnership firm</li> </ul> <p>Documents as specified in para 1 above of the individuals holding attorney /authorisation to transact on its behalf.</p>
Proprietorship Firms	<p>For opening an account, CDD of the individual (proprietor) as mentioned in para 3.2.1 shall be carried out PLUS any two of the below mentioned documents,</p> <ul style="list-style-type: none"> <li>a) Registration certificate, if registered</li> <li>b) Certificate/License issued under Shops &amp; Establishment Act</li> <li>c) GST and Income Tax returns</li> <li>d) GST registration certificate (provisional/ final)</li> <li>e) Utility bills such as electricity, water, telephone bills etc.</li> <li>f) Complete Income Tax Return (not just the acknowledgement) in the name of the sole proprietor where the firm's income is reflected, duly authenticated/acknowledged by the Income Tax authorities.</li> <li>g) IEC (Import Export Code) issued to the proprietary concern by the office of DGFT or Licence/certificate of practice issued in the name of the proprietary concern by any professional body incorporated under a statute.</li> </ul>
Trusts	<p>For opening an account, certified copies of each of the following documents shall be obtained:</p> <ul style="list-style-type: none"> <li>a) Certificate of registration</li> <li>b) Trust Deed</li> </ul>

	<p>c) Power of attorney authorizing a person to carry out transactions on behalf of the trust</p> <p>d) PAN or Form No.60 of the trust</p> <p>e) Resolution of the managing body of the trust / association.</p> <p>Valid documents identifying the trustees, power of attorney holder etc. (same as applicable for individuals as mentioned in para 1 above).</p>
<p>An unincorporated association or a body of individuals</p>	<p>For opening an account of an unincorporated association or a body of individuals, certified copies of each of the following documents shall be obtained:</p> <p>(a) Resolution of the managing body of such association or body of individuals</p> <p>(b) Permanent Account Number or Form No. 60 of the unincorporated association or a body of individuals</p> <p>(c) Power of attorney granted to transact on its behalf</p> <p>(d) Documents, as specified in Para 1, of the person holding an attorney to transact on its behalf and</p> <p>(e) Such information as may be required by VIKAS MONEY LIMITED to collectively establish the legal existence of such an association or body of individuals.</p>
<p>Juridical persons not specifically covered in the earlier part, such as societies, universities and local bodies like village panchayats</p>	<p>For opening accounts of juridical persons not specifically covered in the earlier part, such as societies, universities and local bodies like village panchayats, certified copies of the following documents shall be obtained:</p> <p>(a) Document showing name of the person authorised to act on behalf of the entity;</p> <p>(b) Documents, as specified in Para 1, of the individual holding an attorney to transact on its behalf and</p> <p>(c) Such documents as may be required by VIKAS MONEY LIMITED to establish the legal existence of such an entity/juridical person.</p>

## ANNEXURE II

### Regulated Entities:

- a. All Scheduled Commercial Banks (SCBs)/ Regional Rural Banks (RRBs)/ Local Area Banks (LABs)/ All Primary (Urban) Co-operative Banks (UCBs) /State and Central Co-operative Banks (StCBs / CCBs) and any other entity which has been licenced under Section 22 of Banking Regulation Act, 1949.
- b. All India Financial Institutions (AIFIs).
- c. All Non-Banking Finance Companies (NBFCs), Miscellaneous Non-Banking Companies (MNBCs) and Residuary Non-Banking Companies (RNBCs).
- d. All Payment System Providers (PSPs)/ System Participants (SPs) and Prepaid Payment Instrument Issuers (PPI Issuers)
- e. All authorised persons (APs) including those who are agents of Money Transfer Service Scheme (MTSS), regulated by the Regulator.

## ANNEXURE III

### ILLUSTRATIVE LIST OF SUSPICIOUS TRANSACTIONS

Broad categories of reasons for suspicion and examples of suspicious transactions generally observed in Non- Banking Financial Companies are indicated as under:

**1. Identity of client:**

False identification documents  
Identification documents which could not be verified within reasonable time  
Accounts opened with names very close to other established business entities.

**2. Background of Client:**

Suspicious background or links with known criminals.

**3. Multiple Accounts:**

Large number of accounts having a common account holder, introducer or authorized personnel.

**4. Signatory with no rationale:**

Unexplained transfers between multiple accounts with no rationale.

**5. Activity in accounts:**

- a. Unusual activity compared with past transactions- Sudden activity in dormant accounts;
- b. Activity inconsistent with what would be expected from declared business.

**6. Nature of transactions:**

- a. Unusual or unjustified complexity;
- b. No economic rationale or bonafide purpose;
- c. Frequent cash transactions;
- d. Nature of transactions inconsistent with what would be expected from declared business.

**7. Value of Transactions:**

- a. Value just under the reporting threshold amount in an apparent attempt to avoid reporting.
- b. Value inconsistent with the client's apparent financial standing.

**8. Indicators of Suspicious Transactions:**

- a. Reluctant to part with information, data and documents;
- b. Submission of false documents, purpose of loan and detail of accounts;
- c. Reluctance to furnish details of source of funds;
- d. Reluctance to meet in person, representing through power of attorney;
- e. Approaching a distant branch away from own address;
- f. Maintaining multiple accounts without explanation;
- g. Payment of initial contribution through unrelated third-party account;
- h. Suggesting dubious means for sanction of loan;
- i. Where transactions do not make economic sense;
- j. Where doubt about beneficial ownership;
- k. Encashment of loan through a fictitious bank account;



- l.** Sale consideration quoted higher or lower than prevailing prices;
- m.** Request for payment in favor of third party with no relation to transaction;
- n.** Usage of loan amount for purposes other than stipulated in connivance with vendors, or agent;
- o.** Frequent request for change of address;
- p.** Over-payment of instalments with a request to refund the overpaid amount.

**BY THE ORDER OF THE BOARD  
For VIKAS MONEY LIMITED**

**Sd/-  
MANAGING DIRECTOR**

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**CC:**

- 1. Legal Department**
  - 2. Administration Department**
  - 3. HR Department**
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## Compromise Settlements & Technical Write- Offs

In exercise of the powers of the board of directors conferred by the articles of association of the company and pursuant to the guidelines issued by the reserve bank of India, the board hereby notifies the guidelines to be followed while doing compromise settlements & technical write- offs.

### Applicability:

This policy is applicable to all loans sanctioned by the company

### BACKGROUND

#### Framework for Compromise Settlements and Technical Write-offs

The Reserve Bank of India has issued various instructions to regulated entities (REs) regarding compromise settlements in respect of stressed accounts from time to time, including the Prudential Framework for Resolution of Stressed Assets dated June 7, 2019 ("Prudential Framework"), which recognises compromise settlements as a valid resolution plan. With a view to provide further impetus to resolution of stressed assets in the system as well as to rationalise and harmonise the instructions across all REs, as announced in the Statement on Developmental and Regulatory Policies released on June 8, 2023, it has been decided to issue a comprehensive regulatory framework governing compromise settlements and technical write-offs covering all the Res

#### Applicability and Extent

The provisions of this framework shall be applicable to all All-India Financial Institutions Non-Banking Financial Companies (including Housing Finance Companies) and shall be without prejudice to the provisions of the Prudential Framework, or any other guidelines applicable to the Regulated Entities on resolution of stressed assets.

## **BOARD APPROVED POLICY COMPROMISE SETTLEMENTS & TECHNICAL WRITE-OFFS**

**Board approved policy for undertaking compromise settlements with the borrowers as well as for technical write-offs.**

### **1. Definitions**

**“Compromise settlement”** for this purpose shall refer to any negotiated arrangement with the borrower to fully settle the claims of the RE against the borrower in cash; it may entail some sacrifice of the amount due from the borrower on the part of the Regulated Entities (Res) with corresponding waiver of claims of the RE against the borrower to that extent.

**“Technical write-off”** for this purpose shall refer to cases where the nonperforming assets remain outstanding at borrowers’ loan account level, but are written-off (fully or partially) by the RE only for accounting purposes, without involving any waiver of claims against the borrower, and without prejudice to the recovery of the same.

### **2. Objectives of the Policy**

- a) To reduce the Company’s NPA level in absolute terms by preventing slippage of accounts and accelerating recoveries in the existing NPAs.
- b) To take a pro-active approach in finding solutions which could involve restructuring of loans if intent of borrower is positive
- c) To update system of identification and reporting of accounts showing signs of slippage of ‘NPA’ category
- d) To provide directions to contain slippage to NPA category

### **3. Process to be followed for all compromise settlements & technical write-offs**

The basic guidelines governing compromise settlements of NPAs are listed below.

- a) A compromise should be negotiated settlement, which would ensure recovery of the dues to the maximum extent possible at minimum expense and within shortest possible timeframe.
- b) While taking NPAs a proper distinction will have to be made between willful defaulters and defaulters due to circumstances beyond their control. While

in case of the former, a tough stand has to be taken, in latter cases a moderated view is to be taken.

- c) Due weightage to be given to present activities of the borrower / guarantor, their present means etc.
- d) While arriving at a negotiated settlement, the advantage available to the company for prompt recycling of funds should be weighted in comparison to the likely recovery by following legal or other protracted course of action i.e., opportunity cost analysis be made.
- e) The internal reporting system should ensure prompt reporting of all compromise proposals approved.
- f) A compromise/settlement be made only if the account has been classified as loss assets. However, if there are any genuine reasons compromise/settlement be made in case of a Non-Performing Assets account also.
- g) While compromising in any account only interest amount be sacrificed and no relief be granted in principal amount. However, in deserving cases relief in principal amount also be considered.
- h) Before entering into any compromise /settlement details of the assets of the borrower and guarantor be collected and the relief be granted if the company deems fit.

#### **4. Minimum Ageing - Prudential Framework for Resolution of Stressed Assets dated June 7, 2019 (“Prudential Framework”)**

RBI instructions on 'Prudential norms on Income Recognition, Asset Classification and Provisioning, pertaining to Advances dated 12th November 2021. With reference to the RBI circular no. RBI/2021-2022/125 DOR.STR.REC.68/21.04.048/2021-22 on 'Prudential norms on Income Recognition, Asset Classification and Provisioning, pertaining to Advances Clarifications' dated 12th November 2021.

#### **Classification as Special Mention Account (SMA) and Non-Performing Asset (NPA)**

The RBI circular DBR.No.BP.BC.45/21.04.048/2018-19 dated 7th June, 2019 on 'Prudential Framework for Resolution of Stressed Assets' requires the lenders to recognize incipient stress in borrower accounts, immediately on default, by classifying them as special mention accounts (SMA) and the basis for classification of SMA categories shall be as follows:

Loans other than revolving facilities	
SMA Sub-categories	Basis for classification — Principal or interest payment or any other amount wholly or partly overdue
SMA-0	Up to 30 days
SMA-1	More than 30 days and up to 60 days
SMA-2	More than 60 days and up to 90 days Accordingly,

Accordingly, the date of SMA/NPA shall reflect the asset classification status of the loan account, at the day-end of that calendar date. An illustration of such classification is as follows:

SMA Categories	Basis for classification – Principal or interest payment or any other amount wholly or partly overdue	If a customer takes a loan on 1st Jan 2021 and repayment is made without default till 1st Dec 2021 and subsequent repayments are not made. Then the loan will fall in
SMA-0	Upto 30 days	SMA 0 on 1st Jan 2022
SMA-1	More than 30 days and upto 60 day	SMA 1 on 31st Jan 2022
SMA-2	More than 60 days and upto 90 days	SMA 2 on 2nd Mar 2022
NPA	More than 90 days	The loan will be treated as NPA upon running day-end process on 1st April 2022

#### Case (B) Gold Loan

SMA Categories	Basis for classification – Principal or interest payment or any other amount wholly or partly overdue	A customer takes a loan on 1st Jan 2021 with maturity date as on 29th Jun 2021 (6- month scheme) and If the Principal or interest payment or any other amount wholly or partly overdue in such loan on 29th Jun 2021, then the loan will fall in
SMA-0	Up to 30 days	SMA 0 on 29th Jun 2021

SMA-1	More than 30 days and up to 60 days	SMA 1 on 29th Jul 2021
SMA-2	More than 60 days and upto 90 days	SMA 2 on 28th Aug 2021
NPA	More than 90 days	The loan will be treated as NPA upon running day-end process on 27th Sept 2021

In the above context, it is further clarified that borrower accounts shall be flagged as overdue by the lending institutions as part of their day-end processes for the due date, irrespective of the time of running such process.

**NPA Classification in case of interest payments.**

In case of interest payments in respect of term loans, an account will be classified as NPA, if the interest applied at a specified date remains overdue for more than 90 days.

These instructions shall be effective from 31st March, 2022. Accordingly, in respect of any borrower account which becomes overdue on or after 31st March, 2022, its classification as NPA shall be based on the account being overdue for more than 90 days.

**Upgradation of accounts classified as NPAs**

In this regard, it is clarified that loan accounts classified as NPAs may be upgraded as 'Standard' asset only if entire arrears of interest and principal are paid by the borrower (applicable from October 1, 2022). Regarding upgradation of accounts classified as NPA due to restructuring, non-achievement of date of commencement of commercial operations (DCCO), etc., the instructions as specified for such cases shall continue to be applicable.

**5. THE MODULE APPROACH (Criteria - Deterioration of Value of Collateral Value of Securities)**

- a) Compromise / relief proposals will be negotiated in keeping with the basic objectives spelt out above. The module approach is developed, keeping in mind the following key parameters.
- b) Realizable value & marketability of securities charges to the company- if the advance loan is secured.
- c) Aggregate means of borrowers /guarantors.
- d) Age of NPA
- e) Legal position of the company pertaining to the Security

f) Points / scores for various parameters under the modular approach as also the system of awarding points / score shall be as follows

<b>Sr. No.</b>	<b>Particulars</b>	<b>Points</b>
1	Value of security	
a)	Exceeds the dues (as per the books/suit/decree)	
	i. Easily marketable	10
	ii Not easily marketable	08
	iii very difficult to marketable	07
b)	(as per the books/suit/decree)	
	i. Easily marketable	07
	ii Not easily marketable	05
	iii very difficult to marketable	04
c)	50% or less of the dues (as per the books/suit/decree)	
	i. Easily marketable	04
	ii Not easily marketable	02
	iii very difficult to marketable	01
d)	No security	00
2	Aggregate means of borrowers / guarantor	
	i More than dues (as per the books/suit/decree)	04
	ii Exceed the 50% and up to 100% of the dues	03
	iii Exceeds 25% and p to 50%	02
	iv Below 25%	00
3	Age of NPA	
	i Up to 2 years	05
	ii More than 2 years & up to 4 years	04
	iii More than 4 years & up to 8 years	02
	iv More than 8 years	00
4	Legal position	
	i No defect/deficiencies in documents and	04
	ii mortgage in order	
	iii Documents are defective and mortgage not in Enforceable	00
a)	Suit filed	
	i Suit proceedings are continuing less than 2 years	04
	ii Suit proceedings are continuing above 2 years & less than 4 years.	02
	iii Suit proceedings are continuing above 4 years	
b)	Decreed accounts - Decree execution is outstanding for	
	i Less than 2 years	04



	ii	Between 2 to 4 years	02
	iii	More than 4 years	00

“Fair market Value” given by valuer should be taken for the purpose of scoring and not distress value. While calculating as module it should be borne in mind that marketability is a function of legal tangles affecting security. Hence the following may be considered while awarding points under module.

- a) Various laws meant for protection of Agriculturists / Tribal people govern security in the form of Agricultural Land. In that case marketability would be a factor of: (i) getting permission from Collector (ii) availability of purchasers from tribal communities (iii) restrictions on sale to non-agriculturistsetc.
- b) There may be cases, where (i) security is heavily tenanted and vacant possession is next to impossible (ii) security is a subject matter of litigation between the borrower and paramount title holder (iii) security is subject to planning, environment, forest law restrictions (iv) security may be subject to expropriation proceedings due to violation of user conditions etc.
- c) Valuers may not factor in the effect of above legal issues, while giving valuation. In such an event, opinion from a penal advocate or Law officer on these legal issues should be obtained and if found that it is very difficult to disentangle the security from legal issues, then, aggregate score under the module may be reduced by further 4 points. Where aggregate score exceeds 17, under the module. In cases where score is in the range of 17 to 14, then gradual reduction by 3, 2, or 1 point only is permissible. No reduction is permissible for the scores less than 14.
- d) For the purpose of judging and estimating, whether security is easily marketable, not easily marketable and very difficult to market, following yardsticks among other things may be kept in mind.

PARAMETERS	YARDSTICK	
Easily marketable	Property Type	Residential/Commercial
	Premises-located	Metro/Urban
	Prime Locality	-
Not easily marketable	Tenanted premises or industrial Land/Building	

Very difficult to market	Like agricultural land
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**Minimum Settlement amount to be recovered**

<b>Points scored</b>	<b>Methodology for calculation of settlement amount</b>
17 & above	Outstanding in running ledger + int. @10% (simple)
12 to 16	Outstanding in running ledger + int. @ 8% (simple)
8 to 11	Outstanding in running ledger
4 to 7	50% to 75% of outstanding in running ledger
2 to 3	25% to 50% of outstanding in running ledger
0 to 1	As much as possible

In case of unsecured advances / loan parameter of Realizable value of security and marketability would be irrelevant. Hence, with respect to unsecured advances points / score for the parameter realizable value of security and marketability may be taken as **NIL**

**Settlement With Deviation from Module:**

There may be some rare cases, where recovery of amount arrived at as per module may not be possible. Similarly, some borrowers may need more than 12 months' time for repayment. Few others may not be in a position to pay interest at all for installment payment or come forward to pay interest at a lower rate than applicable as per the policy. For all such deviations, cogent reasons to be recorded and such proposals be put up for clearance to the next higher authority than the delegate in whose power the proposal otherwise fall.

**6. The Compromise and Settlement Help in Speedy Recovery**

With a view to accelerating the recovery process by way of compromise/settlement, delegated powers for write off of principal / waiver of interest / absorption of legal expenses of NPAs the approving authority shall be the Managing Director.

**7. No Relief Either in Principle or In Interest Should Be Considered In The Loans And Advances or Any Debt Due From**

- a) the directors of the company.
- b) any firm or company in which any of the directors of the company is interested as partner / director or guarantor.
- c) any individual, if any of its directors is his partner or guarantor.

#### **8. Payment of Settlement Amount:**

As far as possible, settlement amounts should be recovered in a lump-sum. Where the borrowers desire to pay the settlement amounts in installments, a maximum time period of 12 months from the date of approval, be allowed.

Payment of settlement amount in installments will attract interest at Base Rate (simple). Wherever installment payments are sought, there should be a minimum of 25% down payment of the settlement amount. The sanctioning authority will have authority to waive the interest for delayed payment if he deems fit.

#### **9. Settlement Proposal from Guarantor**

There are cases, where guarantors in NPA accounts come forward with settlement proposals so that they can seek release of their guarantees. Such proposals from guarantors should be treated on par with proposals from borrowers and module approach under Recovery Policy is applicable to such proposals.

#### **10. Recovery Through Settlement in Fraud cases**

Compromise / settlement can be negotiated and sanctioned in NPA accounts reported as fraud cases by treating those accounts as normal accounts, subject to following conditions:

- a) The settlement / compromise shall be negotiated only after taking legal action and after initiating criminal proceedings and other applicable legal formalities and after obtaining clearance from HO.
- b) Investigating agency prosecuting the case should be informed in writing by Registered Post / Courier Services about the proposed settlement and if objections are not received within 30 days, settlement can be implemented.
- c) Post settlement, criminal case should not be withdrawn by Company. All the assistance required or called for by the investigating Agency or court to take the case to its logical conclusion should be promptly provided by the Company.
- d) After the settlement, files relating to the account should not be destroyed or sent to old records, but should be kept safely and properly till the conclusion of the criminal proceedings.

**11. Staff accountability: Staff Accountability would be examined in case of slippage of performing assets into the non-performing assets.**

Staff Accountability would be examined in case of loss caused to the Company due to operational lapses, non-observance of standard procedures and practices.

**12. Norms in respect of writing off of balances in the borrowed accounts**

- a) The accounts, balances of which are to be written off must have been classified as NPA and tenor of the loan has exceeded by 90 days.
- b) Balances in the account are written off only after obtaining report from the Business Head/ Branch Manager about non possibility of recovery in the account. Such reports are scrutinized at Head Office level thoroughly before recommending for write off.
- c) Managing Director shall have authority to write off accounts with principal & interest outstanding up to Rs.5.00 lakhs. In respect of the accounts with outstanding above Rs.5.00 lakhs, the proposals will be placed before the Board.
- d) The exercise of writing off of the balance is carried out in consultation with the Accounts & Operations Department at Head Office and the aggregate amount to be written off be finalized with the approval of the Managing Director efforts for recovery be continued even after the balance in the account is written off. In case of a suit filed account where the balance has been written off, suit proceedings/execution proceedings be continued. The court cost and other incidental charges for such recovery should be debited to Branch's Profit & Loss Account.

**13. Technical write off:** The technical write off of NPA is resorted to for accounting purpose in case of "Loss assets" and 100% provisioning be made.

- a) Such write off is essentially a prudent accounting measure to reduce the level of Gross NPA as such accounts are either fully provided for or substantial provision is already available.
- b) The prudential write off to be affected to the debit of Contingency Account will be restricted to the extent of outstanding balance in the running ledger and against the provision available. The shortfall in provision on account of write off is to be made good while finalizing the company's account. Interest held in dummy ledger is not be waived. Branches will continue to maintain dummy ledgers in respect of NPAs prudentially write off.

- c) Recovery efforts in such accounts should continue to be vigorously pursued by branches. Suits filed should be expedited to their logical conclusion by constant follow up with our advocates. Where are obtained, execution proceedings should be launched without delay.
- d) The fact of prudential write off should be kept in strict confidence and not disclosed to the borrowers under any circumstances.
- e) Branch should keep a close watch on the borrowers' activities, their means, assets not charged to the Company, so as to mount pressure on them for recoveries.
- f) Delegated powers for Technical Write Off will be Board of Directors.

In case of partial technical write-offs, the prudential requirements in respect of residual exposure, including provisioning and asset classification, shall be with reference to the original exposure,

Provided that the amount of provision including the amount representing partial technical write-off shall meet the extant provisioning requirements, as computed on the gross value of the asset.

#### **14. Norms In Respect of Filing of Suits**

- a) Considering the long-drawn process in the litigation and difficulties in executing the decrees action of filing of suit be taken as a last resort. Following norms be observed before filing of a suit.
- b) A suit be filed only after making all the efforts such as personal contacts, demand notice from the branch or through advocate, there is no alternative but to file a suit for recovery.
- c) Before filing of the suit, it should be ensured that the loan documents are complete in all respects and that the suit is well within the limitation period. The position of documents be got examined form the company's approved advocate.
- d) Before filing of the suit final notice through company's advocate be issued.
- e) All the assets such as machinery, vehicles etc. in the custody of the Company be disposed of and the sale proceeds be appropriated towards the outstanding in the account and the suit be filed for recovery of residual amount.

- f) Suit filed through an Advocate on the Company's panel only.
- g) Before filing of the suit information regarding movable/immovable assets of the borrower and the guarantor be ascertained and steps be taken for attachment of these properties before judgment.
- h) In areas where "Lok Adalats" are arranged, branches should approach such Lok Adalats for speedy disposal of the cases. However, in case if the suit is to be compromised in the Lok Adalat, the compromise terms be got approved from the Head Office.

**15. Waiver of Legal Action.** There may be accounts where borrowers and guarantors have died or are not traceable and their security / net worth is nil. In such cases legal action only added to cost and does not result in any recovery. With more and more stress on retail loans, there may arise some cases, where cost of legal action will be more than the loan granted. In all such cases discretion should be available for waiver of legal action.

- a) There may be accounts where outstanding amount (running ledger) is less than Rs.0.25 lakhs, in such cases if we decide to initiate legal action which is expensive one. In all such cases discretion should be available for waiver of legal action.
- b) Powers for waiver of legal action for above accounts rest with the Managing Director.

## **16. Collection Of Dues**

The debt collection of the Company is built around dignity and respect to customers where there are genuine problems. Company will not follow policies that are unduly coercive in collection of dues. The policy is built on courtesy, fair treatment, persuasion and finding solutions. The Company believes in following fair practices with regard to collection of dues and repossession of security and thereby fostering customer confidence and long – term relationship.

The repayment schedule for any loan sanctioned by the Company will be fixed taking into account paying capacity and cash flow pattern of the borrower. The company will explain to the customer upfront the method of calculation of interest and how the Equated Monthly Installments (EMI) or any other mode of repayment will be appropriated against interest and principal due from the customers. The method of collection of EMI (say postdated cheque, direct debit, ECS, etc.) would be fixed taking in to consideration the convenience of the borrower. The Company would expect the customers to adhere to the repayment schedule agreed to and

approach the company for assistance and guidance in case of genuine difficulty in meeting repayment obligations.

### **17. General Guidelines:**

All the members of the staff or any person authorized to represent their Company in collection would follow the guidelines set out below:

- a) The customer would be contacted ordinarily at the Branch / during Center meetings / place of his / her choice and in the absence of any specified place, if two or more EMI installments are at default, at the place of his / her residence and if unavailable at his / her residence or at the place of business /occupation.
- b) Identity and authority of persons authorised to represent Company for follow up and recovery of dues would be made known to the borrowers at the first instance. The Company staff or any person authorised to represent the Company in collection of dues or / and security repossession will identify himself / herself and display the authority letter issued by the COMPANY upon request.
- c) The Company would respect privacy of its borrowers.
- d) The Company is committed to ensure that all written and verbal communication with its borrowers will be in simple business language and Company will adopt civil manners for interaction with borrowers.
- e) Normally the Company's representatives will contact the borrower between 0700 hrs and 1700 hrs, unless the special circumstance of her/his business or occupation requires the Company to contact at a different time.
- f) Borrower's requests to avoid calls at a particular time or at a particular place would be honored as far as possible.
- g) The Company will document the efforts made for the recovery of dues and gist of interactions with the borrowers.
- h) All assistance will be given to resolve disputes or differences regarding dues in a mutually acceptable and in an orderly manner.
- i) Inappropriate occasions such as bereavement in the family or such other calamitous occasions will be avoided for making calls /visits to collect dues.

### **18. Giving Notice to Borrowers:**



While telephonic reminders or visits by the company's representatives to the borrower's place or residence will be used as loan follow up measures, the company will not initiate any legal or other recovery measures including repossession of the security without giving due notice in writing. First such notice will be sent immediately upon default by the borrower or when telephonic reminders or personal visits fail to yield result. The first notice while giving details of the amount in default will give 15 days' time period for the borrower to clear the dues and regularize the account. In case the borrower fails to respond within the given period of time, a second notice will be issued explaining the consequences of non-payment and the borrower would be given a further period of 15 days to clear the dues. The consequence of non-payment would include recall of entire loan amount forthwith. In the event of the failure of the borrower to respond within the time period, a legal notice will be issued after which the s will be free to initiate such recovery measures as it deems fit.

### **19. Valuation and Sale of Property**

Valuation and sale of property repossessed by the Company will be carried out as per law and in a fair and transparent manner. The valuation given by the approved valuer will be conveyed to the borrower before proceeding with sale of property.

Even while finalizing sale of the property the offer(s) received by the Company will be informed to the borrower and he will be given an opportunity to bring in a higher price bid. The company will have right to recover from the borrower the balance due, if any and after sale of property excess amount, if any, obtained on sale of property, will be returned to the borrower after meeting all the related expenses.

### **20. Recovery through LOK ADALAT**

Lok Adalat is a legally constituted authority, for resolution of disputes through conciliation. It functions under the aegis of Central, State and District legal services Authority headed by judges from Supreme Court, High Court and District court respectively. They have powers to settle both pending suits filed cases as well as pre litigation cases. They grant awards, which are treated as decree and can be straight away executed in a court of law

### **21. Reporting Mechanism**

The officers need to submit the quarterly basis (q-o-q) report containing compromises settlement and technical write offs approved by the higher authority to the next higher-level authority.

Officers → Managing Director → Board of Directors (In quarterly board meeting)

### **22. Board Oversight**

The board of directors of the company shall ensure the reporting the compromise settlement and technical write-offs in by collecting following information's on quarterly basis and yearly basis.

- (i) trend in number of accounts and amounts subjected to compromise settlement and/or technical write-off (q-o-q and y-o-y);
- (ii) out of (i) above, separate breakup of accounts classified as fraud, red-Flagged, willful default and quick mortality accounts;
- (iii) amount-wise, sanctioning authority wise, and business segment / asset-class wise grouping of such accounts;
- (iv) extent of recovery in technically written-off accounts.

The managing director of the company shall be responsible for submitting the report to the board directors.

### **23. Cooling Period**

- a) In respect of borrowers subject to compromise settlements, there shall be a cooling period of 12-15 months as determined by the managing director. The managing director is the final authority to determine the cooling period in case to cases.
- b) The cooling period for farm credit exposures is 6-12 months.
- c) In respect of borrowers subject to technical write offs, there shall be a cooling period of 6-12 months as determined by the managing director. The managing director is the final authority to determine the cooling period in case to cases.

### **24. General**

- a) The company may undertake compromise settlements or technical write-offs in respect of accounts categorised as wilful defaulters or fraud without prejudice to the criminal proceeding underway against such debtors.
- b) The compromise settlements with the borrowers under the above framework shall be without prejudice to the provisions of any other statute in force.
- c) In case of company had commenced recovery proceedings under a judicial forum and the same is pending before such judicial forum, any settlement arrived at with the borrower shall be subject to obtaining a consent decree from the concerned judicial authorities.

**BY THE ORDER OF THE BOARD  
For VIKAS MONEY LIMITED**

**MANAGING DIRECTOR**

---

**CC:**

- 1. Legal Department**
  - 2. Administration Department**
  - 3. HR Department**
-

## Customer Security Tips

### Mobile Security Precautions

#### Do's

1. Password protect the mobile phone and never give your mobile phone to anyone.
2. Choose a strong password to keep your account and data safe.
3. Review your account statements frequently to check for any unauthorised transactions.
4. Change your PIN regularly.
5. Report a lost or stolen phone immediately to your service provider and law enforcement authorities.

#### Don'ts

1. Never give your PIN or confidential information over the phone or internet. Never share these details with anyone.
2. Don't click on links embedded in emails/social networking sites claiming to be from VIKAS MONEY LIMITED or representing VIKAS MONEY LIMITED.
3. Don't transfer funds without due validation of the recipient, as funds once transferred cannot be reversed.
4. Don't store sensitive information such as credit card details, mobile banking password and user ID in a separate folder on your phone.
5. Don't forget to inform VIKAS MONEY LIMITED of changes in your mobile number to ensure that SMS notifications are not sent to someone else.
6. Never reveal or write down PINs or retain any email or paper communication from VIKAS MONEY LIMITED with regard to the PIN or password
7. Be cautious while accepting offers such as caller tunes or dialer tunes or open/download emails or attachments from known or unknown sources
8. Be cautious while using Bluetooth in public places, as someone may access your confidential data/information
9. Be careful about the websites you are browsing. If it does not look authentic, do not download anything from it.

### Secure Phone Banking

1. While talking to the Phone Banking officer, never disclose the following:
  - o 4-digit ATM/IVR PIN
  - o OTP
  - o Net Banking password
  - o CVV (Card Verification Value)
2. Ensure that no one see you entering you PIN (personal identification number).
3. Avoid giving verification details to the Phone Banking officer while in public places.
4. The Phone Banking channel is meant to be used by the account holder only. Do not transfer the line or hand over the phone to any other person after you complete self-authentication.

## **Secure Computer Usage**

1. Use licensed software. Software purchased from untrustworthy sources could have virus or trojans that could corrupt your files and reveal your confidential data.
2. Protect your computer accounts with strong passwords
3. Update your computer with latest security patches for your operating system, browser and email client.
4. Use anti-virus, anti-spyware and personal firewalls

## **Creating Safe and Secure Passwords – Do's**

1. Keep alphanumeric passwords that are at least 8 characters long. Mix upper and lowercase letters, and special characters like \$, @, \*, etc.
2. Be creative and think of a password that is really different as well as difficult to guess. You can use phrases in sentences such as "nature's wrath tsunami" to frame your passwords as they are easy to remember and difficult to crack.
3. Place punctuation or numbers randomly.

## **Don'ts**

1. Don't use dictionary-based words, your spouse's name or your date of birth. These are easy to crack or guess.
2. Don't use sequences of letters or numbers. E.g.: abcd1234. asdfg123 etc.
3. Do not keep the same passwords for multiple accounts. Once hackers have guessed one password, they'll often try to see if it works on other accounts.
4. Do not write down your passwords.
5. Don't use personal information like your name, date of birth, PAN number, etc.
6. Change your passwords once in every three months.

## **Protecting Your Password**

1. Memorize your PIN. Don't write down your password or PIN anywhere especially not on your card.
2. Change your PIN/passwords at regular intervals.
3. If you suspect that someone knows your PIN/Password, change it immediately.
4. Don't send your password or PIN to anyone via email or text message.
5. Don't say your password or PIN aloud in public where other people can hear you.
6. Don't have your browser remember your card/account password.

## **Secure Internet Browsing**

1. Observe click discipline while browsing through different websites. You may land up clicking on to malicious link that could download malicious code / software or virus on to your computer.
2. Downloading software from non-trustworthy sites including torrent sites may lead to infecting your computer with virus.

3. Read privacy policy of the website before entering personal information such as name and email ID. Be aware of how your information would be used by the website owner.
4. Do not share copies of KYC documents with unidentified persons, unverified/unauthorized Apps. You are requested to report such Apps/Bank Account information associated with the Apps to concerned law enforcement agencies or can file complaint using Sachet portal through the link : <https://sachet.rbi.org.in/Complaints/Add>

## Fraud Reporting to RBI: Timely Intimation of Fraud Incidents Detected & Filing of Police Complaint

With reference to the captioned subject, the following directions are notified for strict compliance.

### 1. Intimation on fraud incidents

It may be noted that in the instance of a fraud being detected, intimation (details in brief) shall be provided to the Compliance Department ([cs@vikasmoney.com](mailto:cs@vikasmoney.com), [info@vikasmoney.com](mailto:info@vikasmoney.com)) within 2 days of such detection or conclusion of the incident as fraud, by the concerned RMs where the fraud has occurred at the regional/branch level and in the case of fraud detected at HO or in other business verticals (SME/VEF) by the concerned departments at HO/Vertical Heads. Further, a detailed report in the prescribed format shall be submitted within 10 days of such detection.

### 2. Filing of Police Complaint

In all incidents where the commitment of fraud has been detected/ confirmed, police complaint should compulsorily be filed against those involved in the following instances.

- The amount involved in fraud is above Rs. 10,000, committed by the staff.
- The amount involved in fraud is Rs. 1 lakh & above, committed by customers/external parties.

The above instructions are in line with the RBI's Directions/Circular (Master Direction: "Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016" DNBS. PPD.01/66.15.001/2016-17, dated September 29, 2016 and Master Circular : "Future approach towards monitoring of frauds in NBFCs", DNBR (PD) CC.No.058/03.10.119/2015-16) on reporting requirement concerning fraud.

# BE(A)WARE



**A BOOKLET  
ON  
MODUS OPERANDI  
OF  
FINANCIAL FRAUDSTERS**



**RESERVE BANK OF INDIA**







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## Preface

There has been a surge in usage of digital modes of payment in the recent years. This gained further momentum during the Covid-19 induced lockdowns. While enhancing customer convenience, it also furthered the national objective of financial inclusion. However, as the speed and ease of doing financial transactions has improved, the number of frauds reported in retail financial transactions have also gone up. Fraudsters have been using innovative methods to defraud the common and gullible people of their hard-earned money, especially the new entrants in the use of digital platforms who are not entirely familiar with the techno-financial eco-system.

This booklet has been compiled from various incidents of frauds reported as also from complaints received at the offices of RBI Ombudsmen to provide maximum practical information of value, especially to those who are inexperienced, or not so experienced, in digital and electronic modes of financial transactions. The booklet is intended to create awareness among the members of public about the modus operandi adopted by fraudsters to defraud and mislead them, while also informing them about the precautions to be taken while carrying out financial transactions. It emphasizes the need for keeping one's personal information, particularly the financial information, confidential at all times, be-ware of unknown calls / emails / messages, practicing due diligence while performing financial transactions and changing the secure credentials / passwords from time to time. Hence the title **BE(A)WARE** – Be Aware and Beware!

This booklet is part of the public awareness initiative by the Consumer Education and Protection Department, Reserve Bank of India and has been conceptualized by the office of Ombudsman, Mumbai-II.



## Modus Operandi and Precautions to be taken against Fraudulent Transactions - Banks





## 1. Phishing links

### Modus Operandi

- Fraudsters create a third-party phishing website which looks like an existing genuine website, such as - a bank's website or an e-commerce website or a search engine, etc.
- Links to these websites are circulated by fraudsters through Short Message Service (SMS) / social media / email / Instant Messenger, etc.
- Many customers click on the link without checking the detailed Uniform Resource Locator (URL) and enter secure credentials such as Personal Identification Number (PIN), One Time Password (OTP), Password, etc., which are captured and used by the fraudsters.



### Precautions

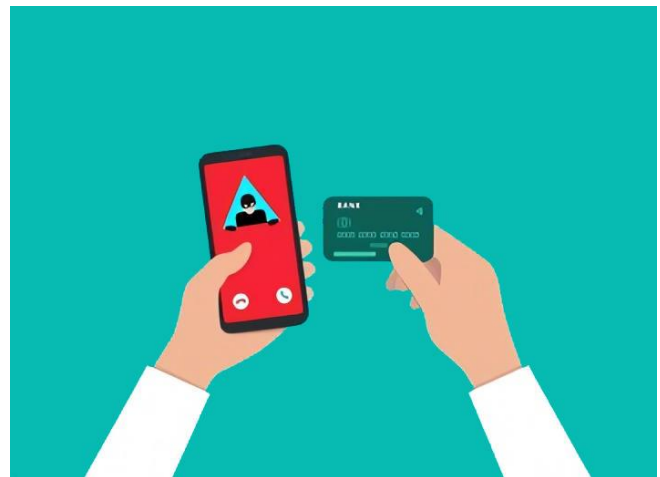
- Do not click on unknown / unverified links and immediately delete such SMS / email sent by unknown sender to avoid accessing them by mistake in future.
- Unsubscribe the mails providing links to a bank / e-commerce / search engine website and block the sender's e-mail ID, before deleting such emails.
- Always go to the official website of your bank / service provider. Carefully verify the website details especially where it requires entering financial credentials. Check for the secure sign (https with a padlock symbol) on the website before entering secure credentials.
- Check URLs and domain names received in emails for spelling errors. In case of suspicion, inform



## 2. Vishing calls

### Modus Operandi

- Imposters call or approach the customers through telephone call / social media posing as bankers / company executives / insurance agents / government officials, etc. To gain confidence, imposters share a few customer details such as the customer's name or date of birth.
- In some cases, imposters pressurize / trick customers into sharing confidential details such as passwords / OTP / PIN / Card Verification Value (CVV) etc., by citing an urgency / emergency such as - need to block an unauthorised transaction, payment required to stop some penalty, an attractive discount, etc. These credentials are then used to defraud the customers.



### Precautions

- Bank officials / financial institutions / RBI / any genuine entity never ask customers to share confidential information such as username / password / card details / CVV / OTP.
- Never share these confidential details with anyone, even your own family members, and friends.





### 3. Frauds using online sales platforms

#### Modus Operandi

- Fraudsters pretend to be buyers on online sales platforms and show an interest in seller's product/s. Many fraudsters pretend to be defence personnel posted in remote locations to gain confidence.
- Instead of paying money to the seller, they use the "request money" option through the Unified Payments Interface (UPI) app and insist that the seller approve the request by entering UPI PIN. Once the seller enters the PIN, money is transferred to the fraudster's account.



#### Precautions

- Always be careful when you are buying or selling products using online sales platforms.
- Always remember that there is **no need to enter PIN / password** anywhere to **receive** money.
- If UPI or any other app requires you to enter PIN to complete a transaction, it means you will be sending money instead of receiving it.



#### 4. Frauds due to the use of unknown / unverified mobile apps

##### Modus Operandi

- Fraudsters circulate through SMS / email / social media / Instant Messenger, etc., certain app links, masked to appear similar to the existing apps of authorised entities.
- Fraudsters trick the customer to click on such links which results in downloading of unknown / unverified apps on the customer's mobile / laptop / desktop, etc.,
- Once the malicious application is downloaded, the fraudster gains complete access to the customer's device. These include confidential details stored on the device and messages / OTPs received before / after installation of such apps.



##### Precautions

- Never download an application from any unverified / unknown sources or on being asked/ guided by an unknown person.
- As a prudent practice before downloading, check on the publishers / owners of the app being downloaded as well as its user ratings etc.
- While downloading an application, check the permission/s and the access to your data it seeks, such as contacts, photographs, etc. Only give those permissions which are absolutely required to use the desired application.





## 5. ATM card skimming

### Modus Operandi

- Fraudsters install skimming devices in ATM machines and steal data from the customer's card.
- Fraudsters may also install a dummy keypad or a small / pinhole camera, well-hidden from plain sight to capture ATM PIN.
- Sometimes, fraudsters pretending to be other customer standing near-by gain access to the PIN when the customer enters it in an ATM machine.
- This data is then used to create a duplicate card and withdraw money from the customer's account.



### Precautions

- Always check that there is no extra device attached, near the card insertion slot or keypad of the ATM machine, before making a transaction.
- Cover the keypad with your other hand while entering the PIN.
- NEVER write the PIN on your ATM card.
- Do NOT enter the PIN in the presence of any other / unknown person standing close to you.
- Do NOT give your ATM card to anyone for withdrawal of cash.
- Do NOT follow the instructions given by any unknown person or take assistance / guidance from strangers / unknown persons at the ATMs.
- If cash is not dispensed at the ATM, press the 'Cancel' button and wait for the home screen to appear before leaving the ATM.



## 6. Frauds using screen sharing app / Remote access

### Modus Operandi

- Fraudsters trick the customer to download a screen sharing app.
- Using such app, the fraudsters can watch / control the customer's mobile / laptop and gain access to the financial credentials of the customer.
- Fraudsters use this information to carry out unauthorised transfer of funds or make payments using the customer's Internet banking / payment apps.



### Precautions

- If your device faces any technical glitch and you need to download any screen sharing app, deactivate / log out of all payment related apps from your device.
- Download such apps only when you are advised through the official Toll-free number of the company as appearing in its **official website**. Do not download such apps in case an executive of the company contacts you through his / her personal contact number.
- As soon as the work is completed, ensure that the screen sharing app is removed from your device.



## 7. SIM swap / SIM cloning

### Modus Operandi

- Fraudsters gain access to the customer's Subscriber Identity Module (SIM) card or may obtain a duplicate SIM card (including electronic-SIM) for the registered mobile number connected to the customer's bank account.
- Fraudsters use the OTP received on such duplicate SIM to carry out unauthorised transactions.
- Fraudsters generally collect the personal / identity details from the customer by posing as a telephone / mobile network staff and request the customer details in the name of offers such as - to provide free upgrade of SIM card from 3G to 4G or to provide additional benefits on the SIM card.



### Precautions

- Never share identity credentials pertaining to your SIM card.
- Be watchful regarding mobile network access in your phone. If there is no mobile network in your phone for a considerable amount of time in a regular environment, immediately contact the mobile operator to ensure that no duplicate SIM is being / has been issued for your mobile number.



## 8. Frauds by compromising credentials on results through search engines

### Modus Operandi

- Customers use search engines to obtain contact details / customer care numbers of their bank, insurance company, Aadhaar updation centre, etc. These contact details on search engines often do NOT belong to the respective entity but are made to appear as such by fraudsters.
- Customers may end up contacting unknown / unverified contact numbers of the fraudsters displayed as bank / company's contact numbers on search engine.
- Once the customers call on these contact numbers, the imposters ask the customers to share their card credentials / details for verification.
- Assuming the fraudster to be a genuine representative of the RE, customers share their secure details and thus fall prey to frauds.



### Precautions

- Always obtain the customer care contact details from the official websites of banks / companies.
- Do not call the numbers directly displayed on the search engine results page as these are often camouflaged by fraudsters.
- Please also note that customer care numbers are never in the form of mobile numbers.



## 9. Scam through QR code scan

### Modus Operandi

- Fraudsters often contact customers under various pretexts and trick them into scanning Quick Response (QR) codes using the apps on the customers' phone.
- By scanning such QR codes, customers may unknowingly authorise the fraudsters to withdraw money from their account.



### Precautions

- Be cautious while scanning QR code/s using any payment app. QR codes have account details embedded in them to transfer money to a particular account.
- Never scan any QR code to receive money. Transactions involving receipt of money do not require scanning barcodes / QR codes or entering mobile banking PIN (m-PIN), passwords, etc.



## 10. Impersonation on social media

### Modus Operandi

- Fraudsters create fake accounts using details of the users of social media platforms such as Facebook, Instagram, Twitter, etc.
- Fraudsters then send a request to the users' friends asking for money for urgent medical purposes, payments, etc.
- Fraudsters, using fake details, also contact users and gain users' trust over a period of time. When the users' share their personal or private information, the fraudsters use such information to blackmail or extort money from the users.



### Precautions

- Always verify the genuineness of a fund request from a friend / relative by confirming through a phone call / physical meeting to be sure that the profile is not impersonated.
- Do not make payments to unknown persons online.
- Do not share personal and confidential information on social media platforms.

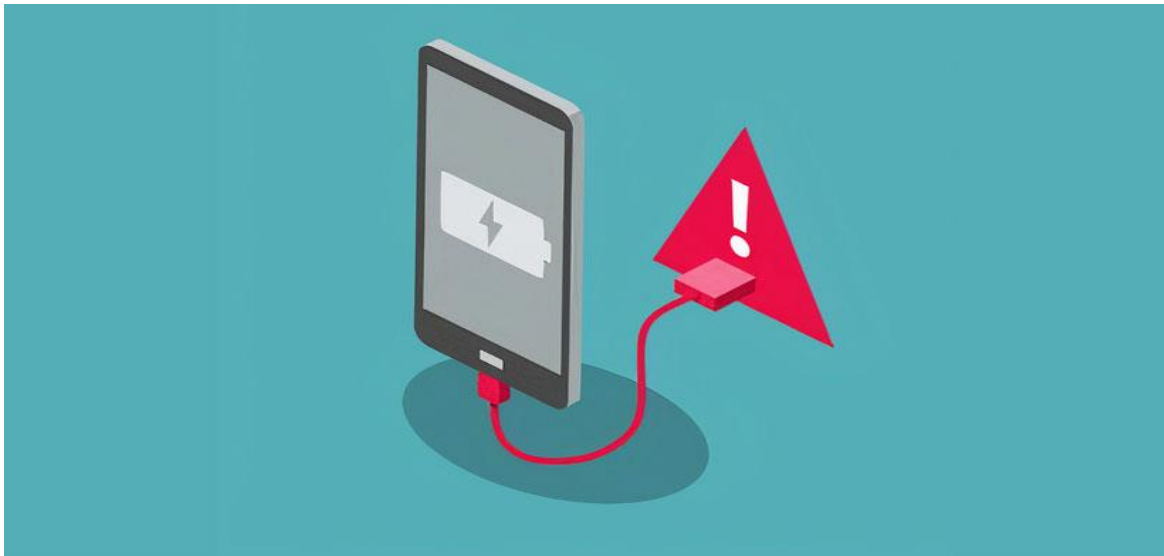




## 11. Juice jacking

### Modus Operandi

- The charging port of a mobile, can also be used to transfer files / data.
- Fraudsters use public charging ports to transfer malware to customer phones connected there and take control / access / steal data sensitive data such as emails, SMS, saved passwords, etc. from the customers' mobile phones (Juice Jacking).



### Precaution

- Avoid using public / unknown charging ports / cables.



## 12. Lottery fraud

### Modus Operandi

- Fraudsters send emails or make phone calls that a customer has won a huge lottery. However, in order to receive the money, the fraudsters ask the customers to confirm their identity by entering their bank account / credit card details on a website from which data is captured by the fraudsters.
- Fraudsters also ask the customers to pay taxes/ forex charges / upfront or pay the shipping charges, processing / handling fee, etc., to receive the lottery / product.
- Fraudsters in some cases, may also pose as a representative of RBI or a foreign bank / company / international financial institution and ask the customer to transfer a relatively small amount in order to receive a larger amount in foreign currency from that institution.
- Since the requested money is generally a very small percentage of the promised lottery / prize, the customer may fall into the trap of the fraudster and make the payment.



### Precautions

- Beware of such unbelievable lottery or offers - nobody gives free money, especially such huge amounts of money.
- Do not make payments or share secure credentials in response to any lottery calls / emails.
- RBI never opens accounts of members of public or takes deposits from them. Such messages are fraudulent.
- RBI never asks for personal / bank details of members of public. Beware of fake RBI logos and messages.
- Never respond to messages offering / promising prize money, government aid and Know Your Customer (KYC) updation to receive prize money from banks, institutions etc.





### 13. Online job fraud

#### Modus Operandi

- Fraudsters create fake job search websites and when the job seekers share secure credentials of their bank account / credit card / debit card on these websites during registration, their accounts are compromised.
- Fraudsters also pose as officials of reputed company(s) and offer employment after conducting fake interviews. The job seeker is then induced to transfer funds for registration, mandatory training program, laptop, etc.



#### Precautions

- For any job offer, including from overseas entities, first confirm the identity and contact details of the employing company / its representative.
- Always remember that a genuine company offering a job will never ask for money for offering the job.
- Do not make payments on unknown job search websites.



## 14. Money mules

### Modus Operandi

- Money Mule is a term used to describe innocent victims who are duped by fraudsters into laundering stolen / illegal money via their bank account/s.



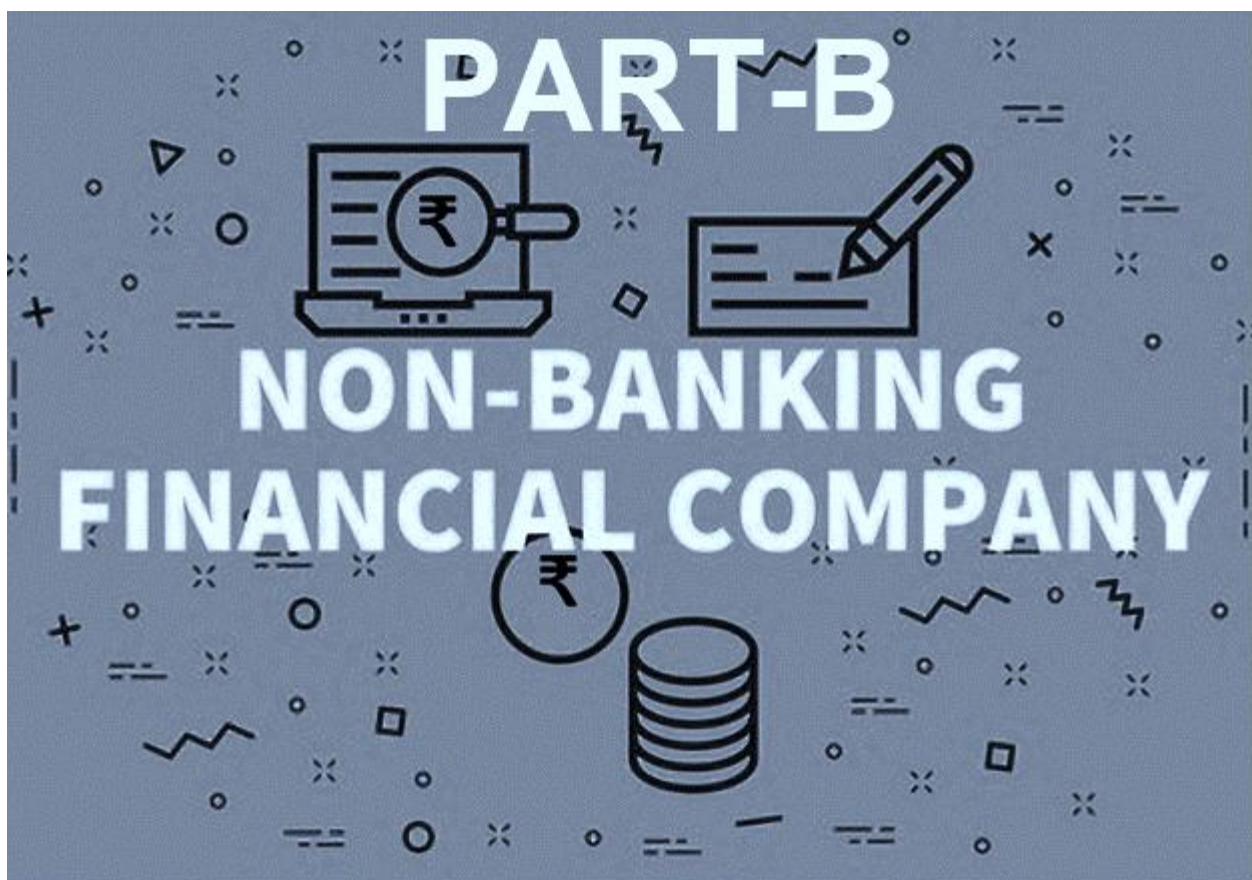
- Fraudsters contact customers via emails, social media, etc., and convince them to receive money into their bank accounts (money mule), in exchange for attractive commissions.
- The money mule is then directed to transfer the money to another money mule's account, starting a chain that ultimately results in the money getting transferred to the fraudster's account.
- Alternatively, the fraudster may direct the money mule to withdraw cash and hand it over to someone.
- When such frauds are reported, the money mule becomes the target of police investigation for money laundering.

### Precautions

- Do not allow others to use your account to receive or transfer money for a fee / payment.
- Do not respond to emails asking for your bank account details.
- Do not get carried away by attractive offers / commissions and give consent to receive unauthorised money and to transfer them to others or withdraw cash and give it out for a handsome fee.
- If the source of funds is not genuine, or the rationale for underlying transaction is not proved to authorities, the receiver of money is likely to land in serious trouble with police and other law enforcement agencies.



## Modus Operandi and Precautions to be taken against Fraudulent Transactions – Non Banking Financial Companies (NBFCs)





## 1. Fake advertisements for extending loans by fraudsters

### Modus Operandi

- Fraudsters issue fake advertisements offering personal loans at very attractive and low rates of interest or easy repayment options or without any requirement of collateral/ security, etc.
- Fraudsters send emails with such offers and ask the borrowers to contact them. To gain credibility with the gullible borrowers and to induce confidence, these email-ids are made to look-like the emails IDs of senior officials of well-known / genuine Non-Banking Financial Companies (NBFCs).
- When borrowers approach the fraudsters for loans, the fraudsters take money from the borrowers in the name of various upfront charges like processing fees, Goods and Services Tax (GST), intercity charge, advance Equated Monthly Instalment (EMI), etc., and abscond without disbursing the loans.
- Fraudsters also create fake website links to show up on search engines, when people search for information on loans.



### Precautions

- Loan processing fee charged by NBFCs / banks is deducted from the sanctioned loan amount and not demanded upfront in cash from the borrower.
- Never pay any processing fee in advance as NBFCs / banks will never ask for an advance fee before the processing of loan application.
- Do not make payments or enter secure credentials against online offer of loans at low interest rates, etc., without checking / verifying the particulars through genuine sources.





## 2. SMS / Email / Instant Messaging / Call scams

### Modus Operandi

- Fraudsters circulate fake messages in instant messaging apps / SMS / social media platforms on attractive loans and use the logo of any known NBFC as profile picture in the mobile number shared by them to induce credibility.
- The fraudsters may even share their Aadhaar card / Pan Card and fake NBFC ID card.
- After sending such bulk messages / SMS / emails, the fraudsters call random people and share fake sanction letters, copies of fake cheques, etc., and demand various charges. Once the borrowers pay these charges, the fraudsters abscond with the money.



### Precautions

- Never believe loan offers made by people on their own through telephones / emails, etc.
- Never make any payment against such offers or share any personal / financial credentials against such offers without cross-checking that it is genuine through other sources.
- Never click on links sent through SMS / emails or reply to promotional SMS / emails.
- Never open / respond to emails from unknown sources containing suspicious attachment or phishing links.



### 3. OTP based Frauds

#### Modus Operandi

- Fraudsters impersonating as NBFCs, send SMS / messages offering loans or enhancement of credit limit on NBFC/bank customers' loan accounts, and ask the customers to contact them on a mobile number.
- When the customers call such numbers, fraudsters ask them to fill forms to collect their financial credentials. Fraudsters then induce / convince the customers to share the OTP or PIN details and carry out unauthorised transfers from the customers' accounts.



#### Precautions

- Never share OTP / PIN / personal details, etc., in any form with anyone, including your own friends and family members.
- Regularly check SMS / emails to ensure that no OTP is generated without your prior knowledge.
- Always access the official website of bank / NBFC / e-wallet provider or contact the branch to avail their services and / or seek product and services related information and clarifications.

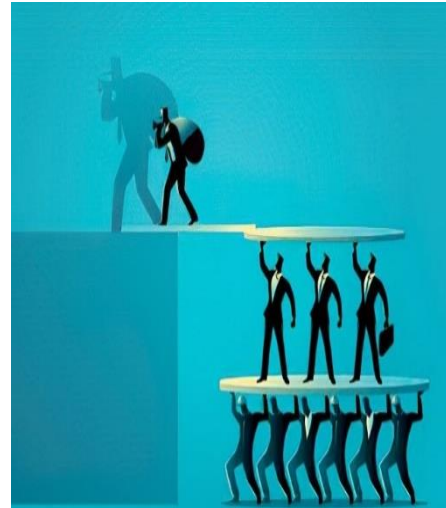




## 5. Money circulation / Ponzi / Multi-Level Marketing (MLM) schemes fraud

### Modus Operandi

- Fraudsters use MLM / Chain Marketing / Pyramid Structure schemes to promise easy or quick money upon enrolment / adding of members.
- The schemes not only assure high returns but also pay the first few instalments (EMIs) to gain confidence of gullible persons and attract more investors through word of mouth publicity.
- The schemes encourage addition of more people to the chain / group. Commission is paid to the enroller for the number of people joining the scheme, rather than for the sale of products.
- This model becomes unsustainable after some time when number of persons joining the scheme starts declining. Thereafter, the fraudsters close the scheme and disappear with the money invested by the people till then.



### Precautions

- Returns are proportional to risks. Higher the return, higher is the risk.
- Any scheme offering abnormally high returns (40-50% p a) consistently, could be the first sign of a potential fraud and caution needs to be exercised.
- Always notice that any payment / commission / bonus / percentage of profit without the actual sale of goods / service is suspicious and may lead to a fraud.
- Do not be tempted by promises of high returns offered by entities running Multi-Level Marketing / Chain Marketing / Pyramid Structure schemes.
- Acceptance of money under Money Circulation / Multi-level Marketing / Pyramid structures is a cognizable offence under the Prize Chits and Money Circulation Schemes (Banning) Act, 1978.
- In case of such offers or information of such schemes, a complaint must be immediately lodged with the State Police.





## 6. Fraudulent loans with forged documents

### Modus Operandi

- Fraudsters use forged documents to avail services from financial institutions.
- Fraudsters commit identity thefts, steal personal information of customers such as identity cards, bank account details etc., and use this information or credentials to avail benefits from a financial institution.
- Fraudsters pose as NBFC employees and collect KYC related documents from customers.



### Precautions

- Exercise due care and vigilance while providing KYC and other personal documents, including the National Automated Clearing House (NACH) form for loan sanction / availing of credit facility from any entity, especially individuals posing to be representatives of these entities.
- Such documents should be shared only with the entity's authorised personnel or on authorised email IDs of the entities.
- Follow up with the concerned entities to ensure that the documents shared by you are purged immediately by them in case of non-sanction of loan and/ or post closure of the loan account.



## General Precautions to be taken for financial transactions





## General precautions

- Be wary of suspicious looking pop ups that appear during your browsing sessions on internet.
- Always check for a secure payment gateway (<https://> - URL with a pad lock symbol) before making online payments / transactions.
- Keep the PIN (Personal Identification Number), password, and credit or debit card number, CVV, etc., private and do not share the confidential financial information with banks/ financial institutions, friends or even family members.
- Avoid saving card details on websites / devices / public laptop / desktops.
- Turn on two-factor authentication where such facility is available.
- Never open / respond to emails from unknown sources as these may contain suspicious attachment or phishing links.
- Do not share copies of chequebook, KYC documents with strangers.



## For device / computer security

- Change passwords at regular intervals.
- Install antivirus on your devices and install updates whenever available.
- Always scan unknown Universal Serial Bus (USB) drives / devices before usage.
- Do not leave your device unlocked.
- Configure auto lock of the device after a specified time.
- Do not install any unknown applications or software on your phone / laptop.
- Do not store passwords or confidential information on devices.





### For safe internet browsing

- Avoid visiting unsecured / unsafe / unknown websites.
- Avoid using unknown browsers.
- Avoid using / saving passwords on public devices.
- Avoid entering secure credentials on unknown websites/ public devices.
- Do not share private information with anyone, particularly unknown persons on social media.
- Always verify security of any webpage (https:// - URL with a pad lock symbol), more so when an email or SMS link is redirected to such pages.

### For safe internet banking

- Always use virtual keyboard on public devices since the keystrokes can also be captured through compromised devices, keyboard, etc.
- Log out of the internet banking session immediately after usage.
- Update passwords on a periodic basis.
- Do not use same passwords for your email and internet banking.
- Avoid using public terminals (viz. cyber cafe, etc.) for financial transactions.





### **Factors indicating that a phone is being spied**

- Unfamiliar applications are being downloaded on the phone.
- There is a faster than usual draining of phone battery.
- Phone turning hot may be a sign of someone spying by running a spyware in the background.
- An unusual surge in the amount of data consumption can sometimes be a sign that a spyware is running in the background.
- Spyware apps might sometimes interfere with a phone's shutdown process so that the device fails to turn off properly or takes an unusually long time to do so.
- Note that text messages can be used by spyware and malware to send and receive data.

### **Actions to be taken after occurrence of a fraud**

- Block not only the debit card / credit card but also freeze the debit in the bank account linked to the card by visiting your branch or calling the **official customer care number** available on the bank's website. Also, check and ensure the safety of other banking channels such as Net banking, Mobile banking etc., to prevent perpetuation of the fraud once the debit/ credit cards, etc., are blocked following a fraud.
  - Dial helpline number 155260 or 1930 or report the incident on National Cybercrime Reporting Portal ([www.cybercrime.gov.in](http://www.cybercrime.gov.in)).
- Reset Mobile: Use (Setting-Reset-Factory Data) to reset mobile if a fraud has occurred due to a data leak from mobile.

### **Precautions related to Debit / Credit cards**

- You should deactivate various features of credit / debit card, viz., online transactions both for domestic and international transactions, in case you are not going to use the card for a while and activate the same only when the card usage is required.
- Similarly, Near Field Communication (NFC) feature should be deactivated, if the card is not to be used.
- Before entering PIN at any Point of Sale (POS) site or while using the card at an NFC reader, you must carefully check the amount displayed on the POS machine screen and NFC reader.

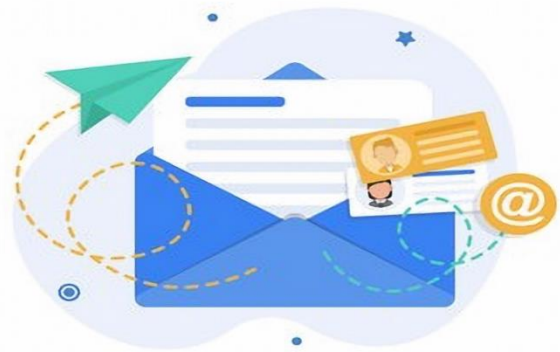




- Never let the merchant take the card away from your sight for swiping while making a transaction.
- Cover the keypad with your other hand while entering the PIN at a POS site / ATM.

#### **For E-mail account security**

- Do not click on links sent through emails from unknown addresses / names.
- Avoid opening emails on public or free networks.
- Do not store secure credentials / bank passwords, etc., in emails.



#### **For password security**

- Use a combination of alphanumeric and special characters in your password.
- Keep two factor authentication for all your accounts, if such facility is available.
- Change your passwords periodically.
- Avoid having your date of birth, spouse name, car number etc. as passwords.





### How do you know whether an NBFC accepting deposit is genuine or not?

- Verify whether the name of NBFC appears in the list of deposit taking NBFCs entitled to accept deposits, available at <https://rbi.org.in> and to ensure that it is not appearing in the list of companies prohibited from accepting deposits.
- NBFCs must prominently display the Certificate of Registration (CoR) issued by the Reserve Bank on its site / in its office. This certificate should also reflect that the NBFC has been specifically authorised by RBI to accept deposits. Scrutinize the certificate to ensure that the NBFC is authorised to accept deposits.
- NBFCs cannot accept deposits for a period less than 12-months and more than 60 months and the maximum interest rate that an NBFC can pay to a depositor should not exceed 12.5%.
- The Reserve Bank publishes the change in the interest rates on <https://rbi.org.in> → Sitemap → NBFC List → FAQs.





### Precautions to be taken by depositors

- When depositing money, insist on a proper receipt for each and every deposit made with the bank / NBFC / company.
- The receipt should be duly signed by an officer authorised by the company and should state, *inter alia*, the date of the deposit, the name of the depositor, the amount in words and figures, rate of interest payable, maturity date and amount.
- In the case of brokers / agents, etc., collecting public deposits on behalf of NBFCs, verify that the brokers / agents are duly authorised for the purpose by the concerned NBFC.
- Remember that the Deposit Insurance facility is not available to depositors of NBFCs.







## File a complaint

### Complaint to RBI Ombudsman

- For filing complaints online, please visit the link at <https://cms.rbi.org.in/>
- Complaints in physical / paper form can be sent to CRPC, Reserve Bank of India, Central Vista, Sector -17, Chandigarh -160 017.

### Complaint to Securities and Exchange Board of India (SEBI)

- Please visit the link at <https://www.sebi.gov.in/>

### Complaint to Insurance Regulatory and Development Authority of India (IRDAI)

- Please visit the link at <https://www.irdai.gov.in/>

### Complaint to National Housing Bank (NHB)

- Please visit the link at <https://nhb.org.in/>

### Complaint to Cyber Police Station

- Please visit <https://cybercrime.gov.in/>

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## Glossary

- **Advance fee/Processing fee/Token fee:** These include preliminary payments such as documentation charges, meeting expenses, processing fees, other charges that may be applicable for disbursement of the loan to a borrower.
- **Two-factor authentication:** Authentication methodologies involve three basic 'factors'- something the user knows (e.g., password, PIN- either static or one time generated); something the user has (e.g., ATM/ smart card number, expiry date and CVV that is printed on the card); and something the user is (e.g., biometric characteristic, such as a fingerprint). Two-factor authentication (also known as 2FA) provides identification of users by means of a combination of two different components - what the user has and what the user knows/is to complete a transaction.
- **Authorisation:** The response from a card-issuing bank to a merchant's transaction authorisation request indicating that the payment information is valid and funds are available on the customer's credit card.
- **Card number:** The number assigned by a credit card association or card issuing bank to a card. This information must be provided to a merchant by a customer in order to make a credit card payment but should not be shared with anyone else. The string of digits is printed on the card.
- **Credit card:** A card that allows paying for products or services by availing unsecured/secured credit from a financial institution.
- **Credit limit:** The term refers to the maximum amount of credit a financial institution extends to a customer. A lending institution extends a credit limit on a credit card based on the analysis of the information given by the credit-seeking applicant. The credit limit can affect the customer's credit scores and their ability to obtain credit in the future.
- **CVV:** Stands for Card Verification Value. This is a 3-digit number printed on the card which is mandatory for completing most online transactions. These details are confidential and must NEVER be shared with anyone.
- **Debit card:** A card that allows paying for products or services by deduction of available funds in a bank account of the cardholder.



- **E-commerce platform:** It is a platform/website that enables buying and selling of goods and services including digital products over digital and electronic network.
- **EMI:** It stands for Equated Monthly Instalment. This a fixed monthly payment (includes principal and interest) to be made by a borrower to his lender/creditor (like bank/NBFC) each month till the loan/credit, along with interest, taken from the lender/creditor is paid off by the borrower in full.
- **Encryption:** The process of transforming processing information into an electronic code to maintain its secrecy.
- **Expiry date:** The date on which the validity of a card, contract, agreement, document, etc. expires. Transactions will be approved only in respect of cards or documents which have not yet expired.
- **Gateway:** It is an intermediary that provides technology infrastructure to route and facilitate processing of services such as transactions base management, risk management, etc. without its involvement directly. Payment Gateways are entities that provide technology infrastructure to route and facilitate processing of online payment transactions without any involvement in handling of funds.
- **Immediate payment services (IMPS):** It is an instant interbank electronic fund transfer service (up to a limit) through mobile phones, provided by National Payments Corporation of India (NPCI).
- **KYC:** Stands for Know Your Customer. It is process in which the financial institution makes an effort to verify the identity, suitability, and risks involved with maintaining a relationship with a customer by obtaining a set of documents and carrying out due diligence.
- **Money mule:** It is a term used to describe victims who are exploited by fraudsters into laundering stolen / illegal money via their bank account(s).
- **Multi-Level Marketing:** The practice of selling goods or services on behalf of a company in a system whereby participants receive commission on their sales as well as the sales of any participants they recruit.



- **National Automated Clearing House (NACH):** It is a centralised Electronic Clearing Service (ECS) system operated by National Payments Corporation of India (NPCI).
- **Near Field Communication (NFC):** It is a communication technology used to transmit data from a NFC equipped device to a capable terminal. The NFC technology is used to make a contactless payment that is carried out by keeping the smartphone/card near the NFC enabled machine.
- **National Electronic Fund Transfer (NEFT):** It is a nation-wide centralised payment system owned and operated by RBI, which enables bank customers in India to transfer funds between any two NEFT-enabled bank accounts.
- **OTP:** One Time Password is one of the factors in the authentication methodology, which the customer knows and is often used for carrying out online transactions. This is CONFIDENTIAL and should not be shared with anyone.
- **Phishing:** It refers to spoofed emails and / or SMSs designed to dupe customers into thinking that the communication has originated from their bank / e-wallet provider and contain links to extract confidential details.
- **Point of Sale device (POS) / Acceptance Device (mPOS):** It refers to any device / terminal / machine installed at Merchant Establishments which enables the merchants to accept payments through payment cards (credit cards, debit cards, gift cards etc.).
- **Quick Response (QR) code:** The QR Code is type of a two-dimensional bar code. It consists of black squares arranged in a square grid on a white background. Imaging devices such as smartphone cameras can be used to read and interpret these codes. QR code contains information about the payee and is used to facilitate mobile payments at the point-of-sale by debiting the customers' account.
- **Remote Access:** It refers to luring customer to download an application on their mobile phone / computer which is able to access all the customers' data on that customer device.



- **UPI:** Unified Payment Interface is a platform that allows transfer of money from one bank / wallet account to other using a mobile phone which has access to the Internet. Once a customer registers for UPI with the bank, a unique virtual identifier is created and mapped to the customer's mobile phone to initiate the payment. It uses authentication in the form of UPI-PIN, which is CONFIDENTIAL and should not be shared with anyone.
- **Vishing:** It refers to phone calls pretending to be from bank / non-bank e-wallet providers / telecom service providers luring customers into sharing confidential details in the pretext of KYC-updation, unblocking of account / SIM-card, crediting debited amount, etc.
- **Wallet:** A wallet is like an account which can be used for purchase of goods and services against the stored value in it. A wallet can be virtual (e.g. mobile wallet) or physical (prepaid cards).

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## **RED FLAG INDICATORS (RFIs)**

### **1. Rule Based Monitoring**

#### **Monitoring Based on Multiple Scenarios/ Rules based alert generated for MTSS**

Considering the nature of service, it is requested to generate an MIS for “Inward Remittance Transactions” based on the conditions given below,

1. Customers with high number of transactions
2. Customers with high aggregate value of transactions
3. Transactions of foreigners (Visiting India)
4. Concentration of customers in branches
5. Customers receiving fund from multiple senders
6. Customers receiving fund from multiple countries
7. Single sender sending to multiple receivers
8. Single sender sending from multiple countries
9. Single customer transaction in Multiple Branches/Regions/States
10. Low value transaction with high frequency.
11. Transactions from FATF notified countries (High/medium risk)
12. Transactions from Pakistan and China.
13. Number of days involved in transaction
14. Total Transaction value is lower than average transaction value

#### **Monitoring Based on Single Scenario/ Rule based alert generated**



SN	Scenario / Rule	Risk Severity
1	Loan disbursed to the customer through banking channels and the loan repayment done in cash (If more than XX% of loan amount is repaid in cash)	High
2	Loan disbursed to the customer in cash and repayment done using non-cash modes	Medium
3	Having inventory count of XX or more	Low
4	Performed more than XX repledges during XX days	Medium
5	Number of transactions is in excess of XX Nos during XX days	Medium
6	Distinct count of Transaction Date in excess of XX Days (Date on which payment is made)	Medium
7	Amount involved in repayment (In Aggregate) is in excess of XX Lakhs during XX days	Low
8	No of branches where inventory is pledged in more than XX Branches.	Medium
9	Wallets receiving more than average transactions from multiple number of bank accounts/ wallets in a single day	Medium
10	Wallets receiving more than average transactions from multiple number of bank accounts/ wallets (more than average transactions, either by count or by amount)	Medium
11	Single beneficiary (Based on bank account) receiving funds from multiple wallets / bank accounts in a single day	High
12	Single beneficiary (Based on bank account) receiving funds from multiple wallets / bank accounts (more than average transactions, either by count or by amount)	Medium
13	Customers who are transacted in more than XX currencies in a month	Medium
14	Customers who has transacted in more than XX currencies during every XX months	Low

Reports generated covering all products,

1. High Value cash transaction in a day
2. High Value cash transaction in a Calendar month
3. Unscheduled High Value repayments in a day
4. Unscheduled High Value repayments in a calendar month
5. Splitting of cash transaction just below Rs.XX by a Customer in a month
6. High value transactions by High Risk Customers
7. Cash repayments greater than INR XX for individuals and greater than INR XX for non-individuals in a day
8. Top 10 cash repayments in a day.
9. Non-Cash repayments greater than INR XX for individuals and greater than INR XX for non-individuals in a day
10. Top 10 non-cash repayments in a day
11. Cash repayments greater than INR XX for individuals and greater than INR XX for non-individuals in a month
12. Top 10 cash repayments in a month.

13. Non-Cash repayments greater than INR XX for individuals and greater than INR XX for non-individuals in a month.
14. Top 10 cash repayments in a month
15. Value of transaction is more than XX percent of the previous largest transaction for the client (or client profile)
16. Value of transactions in a month is more than XX percent of the average value for the client (or client profile)
17. Number of transactions in a month is more than XX percent of the average number for the client (or client profile)
18. Cash transactions greater than INR XX by customer with low cash requirements such as Students, Housewife, Pensioners, Wages and salary person and Minor Accounts
19. Cash repayments in amounts ranging between INR XX/- to INR XX in multiple accounts of the customer greater than XX times in a month
20. Common address/telephone used by multiple unrelated customers. Common Ids used by multiple customers. Group of individuals conducting transactions.
21. Loan repayments in cash greater than INR XX in XX months.
22. Transaction involving a location considered to be high risk from the terrorist financing perspective.
23. Receipt of any notice of enquiry from any enforcement authority, calling for information about any Customer.
24. Customer provided different IDs or Date of Birth at different instances
25. Receipt of enquiry/attachment notice from any enforcement authority such as CBI, Police, Enforcement Directorate, Department of Vigilance and Anti-corruption, Income tax or Service Tax Authorities etc. for violation of revenue/regulatory laws.

### **Escalation from Branch / Field staff**

SN	Category	Detailed description
1	Behavioral indicators	<ol style="list-style-type: none"> <li>1. Customer did not open account after being informed about KYC requirements</li> <li>2. Customer uses complex legal structures or where it is difficult to identify the beneficial owner.</li> <li>3. Customer is hurried or nervous.</li> <li>4. Customer is over cautious in explaining genuineness of the transaction.</li> <li>5. Customer changes the information provided after more detailed information is requested. Customer provides information that seems minimal, possibly false or inconsistent.</li> <li>6. Multiple customers arrive together but pretend to ignore each other.</li> <li>7. Customer travels unexplained distances to conduct transactions</li> <li>8. Customer could not explain source of funds satisfactorily.</li> <li>9. Not sharing the details of transaction/purpose of loan</li> </ol>
2	Service Request Indicators	<ol style="list-style-type: none"> <li>1. Customer frequently requests for change of address</li> <li>2. Customer did not complete transaction after queries of source of funds etc.</li> <li>3. Customer has vague knowledge about amount of money involved in the transaction. Customer taking instructions for conducting transactions.</li> </ol>

		<p>Customer is accompanied by unrelated individuals.</p> <ol style="list-style-type: none"> <li>4. Customer makes inquiries or tries to convince staff to avoid reporting.</li> <li>5. Relaxing due diligence process by offering tips/gifts</li> <li>6. Forcing to open Multiple IDs</li> </ol>
3	Transactional Indicators	<ol style="list-style-type: none"> <li>1. Transaction is unnecessarily complex for its stated purpose.</li> <li>2. The amounts or frequency or the stated reason of the transaction does not make sense for the particular customer.</li> <li>3. Transaction involving movement of which is inconsistent with the customer's business.</li> <li>4. High volume of transactions without apparent explanation</li> <li>5. Transaction in small amounts</li> <li>6. Exchange of currency does not match the country where the client is travelling</li> <li>7. Felt to be Benami Transaction</li> <li>8. Third parties (ie, persons other than customer) is approaching the branch for repayment/settlement of loans</li> <li>9. Receiving multiple transactions from different senders in similar amounts in a short amount of time.</li> <li>10. Receiving unusual number of transactions in a short period of time</li> <li>11. Receiving fund from multiple senders with no apparent family relationship</li> <li>12. Receiving transactions from multiple states, provinces or countries</li> </ol>
4	Legal/Social Indicators	<ol style="list-style-type: none"> <li>1. Customer has been the subject of inquiry from any law enforcement agency relating to criminal offences.</li> <li>2. Customer has been the subject of inquiry from any law enforcement agency relating to Terrorism Financing or terrorist activities.</li> <li>3. Match of customer details with persons reported in local media / open source of criminal offences.</li> <li>4. Match of customer details with persons reported in local media / open source for terrorism or terrorist financing related activities.</li> <li>5. Complaint received from public for abuse of account for committing fraud etc.</li> <li>6. Alert raised by agents about suspicion.</li> <li>7. Alert raised by other institutions, subsidiaries or business associates including cross-border referral.</li> </ol>
5	Documentation Indicators	<ol style="list-style-type: none"> <li>1. Customer gave false identification documents or documents that appear to be counterfeited, fabricated, altered or inaccurate.</li> <li>2. Identity documents presented are not verifiable i.e. Foreign documents etc.</li> <li>3. Address provided by the customer is found to be non-existent.</li> <li>4. Customer not staying at address provided during account opening.</li> <li>5. Customer offers different identifications on different occasions with an apparent attempt to avoid linkage of multiple transactions.</li> <li>6. Giving hotel address / other addresses rather than home / permanent address</li> </ol>
6	Others	<ol style="list-style-type: none"> <li>1. Others (specify the details in "Other information")</li> </ol>

## Risk Management Policy

In exercise of the powers of the board of directors conferred by the Articles of Association of the company and pursuant to the guidelines issued by the Reserve Bank of India, the board hereby notifies the guidelines to be followed in operations of the company to mitigate the risks.

### Guidelines Applicable

RBI/DNBR/2016-17/44. Master Direction DNBR.PD.007/03.10.119/2016-17 dated September 01, 2016 [(Updated as on August 29, 2023\*) (Updated as on June 20, 2023\*) (Updated as on December 29, 2022\*) (Updated as on September 29, 2022\*) (Updated as on July 22, 2022\*) (Updated as on June 14, 2022\*) (Updated as on May 02, 2022\*) (Updated as on April 01, 2022\*) (Updated as on March 03, 2022\*) (Updated as on February 17, 2020\*) (Updated as on November 22, 2019\*) (Updated as on August 02, 2019\*) (Updated as on February 22, 2019\*) (Updated as on May 31, 2018\*) (Updated as on February 23, 2018\*) (Updated as on November 09, 2017\*) (Updated as on March 09, 2017\*) (Updated as on March 02, 2017\*) (Updated as on February 02, 2017\*) (Updated as on October 17, 2016\*)] & RBI/DoR/2023-24/106. DoR.FIN.REC. No.45/03.10.119/2023-24. October 19, 2024 (Updated as on October 10, 2024) (Updated as on March 21, 2024) (Updated as on November 10, 2023)

#### 1. Name:

These guidelines may be called in The Risk Management Policy

#### 2. Applicability:

This policy is applicable to all levels of operations (Lower Level Management, Middle Level Management, Top Level Management) of the company

### Risk Management Policy

<b>Policy Name</b>	Risk Management Policy
<b>Periodicity of review</b>	Annual
<b>Owner / Contact</b>	Compliance
<b>Approver</b>	Board of Directors
<b>Annexures</b>	Sample Risk Control Matrix Sheet- Annexure-A

## 1. Preamble

The Board of Directors (“Board”) of VIKAS MONEY LIMITED (“Company” or “VIKAS”), has adopted the following policy which encompasses practices relating to identification, assessment, monitoring and mitigation of various risks to the business. Risk Management Policy of the Company seeks to minimize unfavorable impact on the business objectives and develop stakeholder value. Further, the risk management practices seek to sustain and enhance long-term competitive advantage for the Company.

## 2. Purpose

This Policy has been framed in accordance with the Risk Management framework as issued by Reserve Bank of India (“RBI”) vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 (“RBI Circular”) and amendments thereon.

The purpose of this policy is to address unanticipated and unintended losses to the human resources & financial assets of the Company without unnecessarily limiting the activities that advance its mission and goals. VIKAS has introduced effective risk management systems that address the issues relating to various risks. The effective management of risk is vital to the continued growth of the Company.

## 3. Principles

For risk management to be effective, all operations/departments of the Company must apply the following principles to the context of the business and its objectives:

- Risk management must create and protect value
- Risk management is integrated into organisational processes.
- Explicit risk management helps decision-makers make informed choices.
- Risk management is focused on the sources of uncertainty around the achievement of objectives
- Risk management must be tailored to the context and fit for purpose

**Risk management is dynamic, iterative and responsive to change**

## 4. Definitions

- **“Board”** means Board of Directors of the Company.
- **“Company/VIKAS”** means VIKAS MONEY LIMITED
- **“Directors”** mean individual Director or Directors on the Board of the Company.
- **“Policy”** means Risk Management Policy
- **“RBI”** means Reserve Bank of India
- **“RCM”** means Risk Control Matrix

## 5. Policy

VIKAS recognizes that Risk management as one of the key drivers of growth and further to enhance corporate governance. Accordingly, the Board has framed the following Risk Management Policy:

- To continuously thrive for available risks in the organization which directly or indirectly effect the functioning of the organization.
- To ensure the protection of rights & values of Shareholders by establishing a well-organized Risk Management Framework.
- Selecting, maintaining and enhancing the risk management tools used by the Program to provide analyses that inform and support the investment actions of the entire Organization.

## 6. Identification, Measurement and Assessment of Risk

- Management's responsibility, as delegated by the Board, is to operationalize the Risk Management Program and ensure that formal procedures are put in place to identify and define risk with input from representatives across the businesses.
- Measurement of risk is completed considering both quantitative and qualitative means using the likelihood and impact criteria as developed by Management and as reviewed by the Board.
- The management has identified certain inherent and residual risks which have been divided in accordance with likelihood and its impact on the business.
- Following risks have been identified by the organization:

S No	Types of Risks at VIKAS
1	Regulatory & Compliance Risk
2	Human Resource Risk
3	Reputational Risk
4	Strategic Risk
5	Operational Risk
6	Market Risk
7	Financial Risk
8	Credit & Concentration Risk

- **Strategic Risk** – This risk is related to the overall business strategies and the related economic/business environment
- **Operational Risk**- Arising out of technology failure, fraud, error, inadequate financial capacity to fulfil obligations and/ or to provide remedies, outsourcing of activities to vendors.
- **Market Risk**- Risks related to changes in various markets in which the Company operates.
- **Financial Risk**- These risks includes movement in interest rates and also liquidity risks inherent to the business
- **Reputational Risk** – Where the practices followed by the Company are not in consonance with industry as well as internally prescribed standards.
- **Credit & Concentration Risk** – Where the overall industry has considerable exposure to one service provider and hence the NBFC may lack control over the service provider.
- **Regulatory & Compliance Risk** – Where privacy, consumer and prudential

- laws are not adequately complied with by the service provider
- **Human Resource Risk**- Where the employee related factors are not handled cautiously such as safety, security, compensation, etc.

## 7. Risk Categorization and Mitigation Factors

The following broad categories of risks have been identified in our risk management framework along with possible mitigation factors:

### Strategic Risk

- **Risk:** It is the risk to earnings and capital arising from lack of responsiveness to changes in the business environment and/or adverse business decisions, besides adoption of wrong strategies and choices.
- **Mitigation:** The management is proactive in its approach towards changes in economic/business environment as the business strategies are regularly discussed with the senior officials of the organization so that adequate steps can be taken. Also, important strategic matters are referred to the Board, consisting of members with diversified experience in the respective fields, for intense deliberations, so as to derive the benefit of collective wisdom. The management has also obtained Director's and Officers liability insurance in order to protect the Board and Senior management from taking decisions during the course of their duties which might adversely affect the business.

### Reputational risk

- **Risk:** Reputational risk is related to adverse perception of the image or the company, on the part of customers, counterparties, shareholders, investors and regulators. It refers to the potential adverse effects, which can arise from the company's reputation getting tarnished due to factors such as unethical practices, regulatory actions, customer dissatisfaction and complaints leading to negative publicity. Presence in a regulated and socially sensitive industry can result in significant impact on Company's reputation and brand equity as perceived by multiple entities like the RBI, Central/State/Local authorities, banking industry and the customers. The risk can emanate from:
  - Non-Compliance with Regulations
  - Customer Dissatisfaction
  - Misrepresentation of facts and figures in public
- **Mitigation:** Considering the business model the following aspects have been put in place to reduce vulnerability related to reputational risk:
  - **Compliance with Fair Practices Code:** All employees are trained and instructed to follow fair practices as per RBI prescribed guidelines in all their dealings with the customers.



- **Grievance Redressal Mechanism(GRM):** The Company has a defined GRM in place and the same is communicated to all customers at the time of sanction of loan. This is also available on the website of the Company.
  - **Delinquency Management:** The Company does not resort to any coercive recovery practices and all recoveries are made in accordance with the Recovery policy and Fair Practice Code of the Company.
  - **Stringent Selection Criteria:** Vendors, employees and other associates of the Company are selected after confirming to the stringent criteria's prescribed by the management.
  - **Reference Check:** The management carries out a reference check for all the vendors from the market before having them on Board so as to ensure utmost integrity while carrying out their duties.
  - **Legal Obligations:** All employees, vendors and associates are required to sign legal contracts wherein specific clauses related to non-disclosure are entered so as to ensure the Company from any reputational risks.
- **Market Risk**
    - **Risk:** Risks emanating out of the choices we make on markets, resources and delivery model that can potentially impact our long-term competitive advantage. Risks relating to inherent characteristics of our industry including competitive structure, technological landscape, extent of linkage to economic environment and regulatory structure
    - **Mitigation:** Management regularly reviews its business model including the areas it wants to operate. The management carries out regular competitive analysis of its peers in the industry so as to remain in competition and change its markets if required.
- **Operational Risk**
    - **Risk:** Risks inherent to business operations including those relating to client acquisition, service delivery to clients, business support activities, information security, physical security, human resource and business activity disruptions.
    - Mitigation:
      - **Document Storage and Retrieval:** VIKAS recognizes the need for proper storage of documents as also their retrieval for audit and statutory requirements. The Company is maintaining all the original documents in a fire proof vault at a dedicated space allocated for specific purpose.
      - **Physical Storage:** We have entered into an agreement with an established record management company, so all the physical loan documents are bar-coded and stored in a specialized secure facility.
      - **Scanned Copies:** We have also started storing scanned copies of the loan documents for easy retrieval especially for audit purposes where physical

documents are not required.

- **Whistle Blower/Fraud Prevention Policy-** VIKAS encourages all its employees to report any non-compliance of stated company processes or policies without fear as we have a clearly stated “no-retaliation” policy. We have a formal policy that details the manner in which such issues are handled – background investigation, holding a hearing by a committee, and ensuring that action as per the committee’s recommendations is carried out. All issues reported are categorized for nature and severity:
  - Financial or Non-Financial
  - Major or Minor
  - Procedural Lapse or Gross Violation
  - Breach in Process or Disciplinary Issue

The Compliance Manager maintains a record of all the entire case history which is signed off by senior management on closure.

- **Internal Audits:** Internal Audit at Branch Offices and at the Corporate/Regional Offices which were carried out on a half-yearly basis till FY15, are now carried out on a quarterly basis from FY16 by an independent audit firm appointed by the Board. The scope of this Internal Audit covers all key functions including HR, Operations, Credit, Administration, Finance and Accounts. All significant audit observations of Internal Audits and follow-up actions are presented to the Board Audit Committee.
- **Internal Financial Control:** In compliance with requirement of the new Companies Act 2013, the company has appointed an external advisory firm with key focus on Corporate Governance, IT Infrastructure, Enterprise Risk Management, Anti-Fraud Program and Financial Reporting, Process Flow Charts, Standard Operating Procedures, Risk Control Matrices, Control Design, Operating Effectiveness, Continuous Monitoring.
- **Technology Infrastructure:** The company has leverage of cloud-based technologies and all its business applications are hosted in secure data centers with mirrored redundancies such that in the event of any system going down, an alternate system is made operational within hours. At the facilities where back-office and financial operations take place, alternate/back-up connectivity has been provisioned such that in the event connectivity is lost with one service provider, the alternate connection can be utilized.
- **Outsourcing Policy:** The Company has established an Outsourcing policy in accordance with RBI guidelines wherein a detailed check is done for all the outside vendors before any work is outsourced.

- **Financial Risk**

**Interest Risk:** Interest rate risk is the risk where changes in market interest rates might adversely affect an NBFC's financial condition. The changes in

interest rates affect company in some way. The immediate impact of changes in interest rates is on company's earnings (i.e. reported profits) by changing its Net Interest Income (NII). As such VIKAS is into funding of loans which are always fixed rate loans. The company manages this risk on NII by pricing its loan products to customers at a rate which covers interest rate risk. The risk from the earnings perspective can be measured as changes in the Net Interest Income (NII) or Net Interest Margin (NIM). Measurement of such risk is done at the time of deciding rates to be offered to customers. Once interest rate risk is measured, lending rates are finalized. Given the interest rate fluctuation, the company has adopted a prudent & conservative risk mitigation strategy to minimize interest risk.

**Liquidity Risk:** Measuring and managing liquidity needs are vital for effective operations of an NBFC. The importance of liquidity transcends individual institutions, as liquidity shortfall in one institution can have repercussions on the entire system. Board/ALM Committee should measure not only the liquidity positions of company on an ongoing basis but also examine how liquidity requirements are likely to evolve under different assumptions. Experience shows that assets commonly considered as liquid, like government securities and other money market instruments, could also become illiquid when the market and players are unidirectional. Therefore, liquidity has to be tracked through maturity or cash flow mismatches. For measuring and managing net funding requirements, the use of a maturity ladder and calculation of cumulative surplus or deficit of funds at selected maturity dates is adopted as a standard tool.

- **Maturity Mismatch:** Liquidity Risk arises largely due to maturity mismatch associated with assets and liabilities of the company. Liquidity risk stems from the inability of the company to fund increase in assets, manage unplanned changes in funding sources and meet financial commitments when required.
- **External Source of funds:** Due to the high reliance on external sources of funds, VIKAS is exposed to various funding and liquidity risks comprising:
  - **Funding Concentration Risk**—Concentration of a single source of funds exposes the Company to an inability to raise funds in a planned and timely manner and resort to high cost emergency sources of funds. Further, concentration of funding sources can also result in a skewed maturity profile of liabilities and resultant Asset-Liability mismatch.
  - **Asset-Liability Mismatch**—A skewed asset-liability profile can lead to severe liquidity shortfall and result in significantly higher costs of funds; especially so during times of crises.
  - **Market Perception Risk**—Due to inherent industry characteristics, the Company is exposed to perception risks, which can lead to decline in ability of a lender to increase exposure to the Microfinance sector and result lack of adequate and timely inflow of funds.
  - **Leverage Risk**— A high degree of leverage can severely impact the liquidity profile of the company and lead to default in meeting its

liabilities.

**Mitigation:** The key liquidity management policies being followed at VIKAS include:

- **Regular ALM Meetings:** This is done to identify any short term liquidity gaps and thereby take immediate corrective actions to bridge the same
- **Lender Exposure Updates:** The exposure profile to the lenders is regularly updated to ensure that skewness does not creep in in respect of the sources of external funds.
- **Floating Rates:** VIKAS currently borrows all its loans on a floating basis as against the entire lending on a fixed rate basis. This minimizes the impact of any adverse impact in the event of a credit shock in the banking system and any continuing effects of the same on overall interest rates in the economy and on VIKAS.
- **Defined Leverage Levels:** VIKAS targets a leverage of maximum 2x in light of the business model and adequately safeguard itself against the impact of adverse market conditions. It also affords VIKAS reasonable time to tie-up timely equity infusion.
- **Capital Adequacy:** VIKAS targets to maintain healthy levels of capital adequacy - historically, in excess of 50%. The Company maintains a strong capital position with the capital ratios well above the thresholds defined by the regulatory authorities through continuous and timely capital infusion.

- **Credit and Concentration Risk**

**Credit Risk:** Any lending activity by the Company is exposed to credit risk arising from repayment default by borrowers and other counterparties. Despite best efforts, there can be no assurance that repayment default will not occur and, in such circumstances, may have an effect on its results of operations. The Company and its subsidiaries may not be able to realize the full value of its collateral or be delayed in realizing such value, due to, among other things, legal proceedings by defaulting borrowers and/ or security providers, and stagnation or reduction in market value of collateral. A failure to recover the expected value of collateral security could expose the Company to a potential loss. Any such losses could adversely affect the Company's financial condition and results of operations.

**Mitigation:** A strong credit risk management process helps in containing the portfolio quality of the company. Key elements of the credit risk management include a structured and standardized credit approval process supported by a strong system, effective training programs, legal and technical due diligence, monitoring and robust credit risk management strategy at a senior management level.

**Portfolio Concentration Risk:** Portfolio Concentration Risk is the risk to the company due to a very high credit exposure to a particular business segment,

industry, geography, location, etc though in the context of micro finance, it pertains predominantly to geographical concentration.

**Mitigation:** VIKAS intends to maintain a diversified exposure in advances across various sectors and geographies but to mitigate the risks that could arise due to political or other factors within a particular state. The Company has steadily diversified into various sectors and geographies and consequently the portfolio has become diversified. The Company has also started lending for consumer durables, personal loans and consumption loans. As a part of credit appraisal process, before establishing any new relationship, various factors are taken including credit history, project size, other borrowings, etc. are considered. Various 3<sup>rd</sup> party verifications are also carried to secure credit facilities. Various loan covenants are also established in the documents to secure the loans.

- **Regulatory and Compliance Risk**

- **Risk:** The company is exposed to risk attached to various statutes and regulations. The company is mitigating the risk through regular review of legal compliances carried out through internal as well as external compliance audit. VIKAS is present in an industry where the Company has to ensure compliance with regulatory and statutory requirements. Non-Compliance can result in stringent actions and penalties from the Regulator and/or Statutory Authorities and which also poses a risk to Company's reputation. These risks can be:
  - Non-Compliance with RBI Regulations
  - Non-Compliance with Statutory Regulations
  - Non-Compliance with covenants laid down by Lenders

- **Mitigation:**

- The company has implemented AVANTIS, a Compliance Management System with in-built workflows to track, update and monitor compliances.
- Internal Audit also conducts audit of compliance function on a quarterly basis wherein all regulatory compliances are reviewed in detail.
- Quarterly Compliance Certificate certified by the CFO is submitted to the Board on quarterly basis.

- **Human Resource Risk**

- **Risk:** VIKAS's Human Resource adds value to the entire company by ensuring that the right person is assigned to the right job and that they grow and contribute towards organizational excellence. Our growth has been driven by our ability to attract top quality talent and effectively engage them in right jobs. Risk in matters of human resources are sought to be minimized and contained by following a policy of providing equal opportunity to every employee, inculcate in them a sense of belonging and commitment and also effectively train them in spheres other than their own specialization.

Employees are encouraged to make suggestions on innovations, cost saving procedures, free exchange of other positive ideas etc. It is believed that a satisfied and committed employee will give of his best and create an atmosphere that cannot be conducive to risk exposure. Employee-compensation is always subjected to fair appraisal systems with the participation of the employee and is consistent with job content, peer comparison and individual performance

- Mitigation:

- o Human Resource Policy and initiatives: Various programs and initiatives are carried out by the HR to retain talent and motivate them on a regular basis.

## 8. Responsibility

Responsibility for risk management is shared across the organization. Key responsibilities include:

- Controlling the risks through a formal program is necessary for the well-being of the organization and everyone in it. The jobs and services the organization provides, the safety of the workplace and other benefits all depend to an extent on our ability to control risk.
- The Board is responsible for satisfying itself annually, or more frequently as required, that management has developed and implemented an effective risk management framework. Detailed work on this task is delegated to the Audit Committee and reviewed by the full Board.
- The Audit Committee assists the Board in overseeing the group's risk profile and is responsible for overseeing management's actions in the identification, management and reporting of material business risks.

## 9. Reporting Requirements

The Organization, Enterprise reporting process will evolve as requirements and risk management leading practice evolve. Annual content will include a risk profile setting out the most significant risks faced by the enterprise, and for each risk will:

- describe the risk;
- document the key activities and controls to mitigate/manage the risk;
- identify the residual risk;
- refer to action plans taken to address any weaknesses; and
- draft a risk appetite statement for each key strategic risk.

Further, on a quarterly basis, updated information materially affecting the risk profile (e.g. market developments) will be provided which will enable the Board to understand the likely future risk profile of the Enterprise.

These will be reported to the Board by the Audit Committee as soon as practicable and at least quarterly. The risk assessment carried out shall consider all the relevant risk factors before determining the level of overall risk and the appropriate risk level and type of mitigation to be applied. This assessment shall be documented, updated regularly and made available to competent authorities and self-regulating bodies as and when required. In case of the change in perception the risk assessment in case of PEP borrower should be again done to ascertain whether it is prudent to continue with the exposure with such PEP borrower or not. In case it is felt that the funds are not safe, the funds should be recalled immediately without delay.

BY THE ORDER OF THE BOARD  
For VIKAS MONEY LIMITED

Managing Director

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**CC:**

1. Legal Department
  2. Administration Department
  3. HR Department
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## Investment Policy

In exercise of the powers of the board of directors conferred by the Articles of Association of the company and pursuant to the guidelines issued by the Reserve Bank of India, the board hereby notifies Policy on Investments made by the company

<b>Policy Name</b>	INEVSTMENT POLICY
<b>Issue and Effective date</b>	October 19, 2023 RBI/DoR/2023-24/106 DoR.FIN.REC. No.45/03.10.119/2023-24
<b>Periodicity of review</b>	Annual
<b>Owner / Contact</b>	Compliance
<b>Approver</b>	Board of Directors

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## **Chapter-I PREAMBLE**

RBI vide its Master Circular - Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 provides for that the Board of Directors of every non-banking financial company granting / intending to grant demand / call loans shall frame an appropriate Investment Policy for the company and implement the same. (Regulation 29)

The Board of Directors has approved and adopted this 'Investment Policy' on day of ,19<sup>th</sup> Day of October 2023

## **Chapter – II APPLICABILITY**

This Investment policy shall be applicable to all investments made by the Company.

## **Chapter– III DEFINITIONS**

### **For the purpose of this Investment Policy –**

- a) "Act" means the Reserve Bank of India Act, 1934;
- b) "Board of Directors" means the Board of Directors of Vikas Money Limited.
- c) "Body corporate" means a body corporate as defined under Section 2 of the Companies Act, 2013;
- d) "Breakup value" means the equity capital and reserves as reduced by intangible assets and revaluation reserves, divided by the number of equity shares of the investee company;
- e) "Carrying cost" means book value of the assets and interest accrued thereon but not received;
- f) "Company" or "VML" means Vikas Money Limited;
- g) "Companies Act" means the Companies Act, 2013 or any statutory modifications or re-enactment thereof for the time being in force.
- h) "Companies in the group" means an arrangement involving two or more entities related to each other through any of the following relationships: Subsidiary – parent, Joint venture, Associate, Promoter-promote, a related party, Common brand name, and investment in equity shares of 20% and above.
- i) "Current investment" means an investment which is by its nature readily realizable and is intended to be held for not more than one year from the date on which such investment is made;
- j) "Discounted Cash Flows (DCF) Value Method", is defined as value equals to the present value of future cash flows that accrues to the equity shareholders of the Company.
- k) "Earning value" means the value of an equity share computed by taking the average of profits after tax as reduced by the preference dividend and adjusted for extra-ordinary and non- recurring items, forth immediately preceding three years and further divided by the number of equity shares of the investee company and capitalized at the following rate: -
  - (a) in case of predominantly manufacturing company, eight per cent;
  - (b) in case of predominantly trading company, ten per cent; and
  - (c) in case of any other company, including an NBFC, twelve per cent;

**Note:** If, an investee company is a loss-making company, the earning value will be taken at zero;

- l) "Fair value" means the mean of the earning value and the break-up value and discounted cash flow value method;
- m) "Long term investment" means an investment other than a current investment;
- n) "Net asset value" means the latest declared net asset value by the concerned mutual fund in respect of that particular scheme;
- o) "Officer of a Company" means any person as defined in Clause (59) of Section 2 of the Companies Act, 2013 including an Auditors of the Company;
  
- p) "Regulations/Prudential Norms" means – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023

Other terms not defined hereinabove shall have same meaning as defined in the – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 amended from time to time.

#### **Chapter IV COMPANY PROFILE**

Vikas Money Limited is registered as a Non-Banking Financial Company with Reserve Bank India and it is classified as NBFC-BL as per Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023. The company is primarily engaged in lending activities including gold loans, property loans, personal loans & business loans.

The company also recognised as a Corporate Insurance Agent registered with IRDAI and doing insurance business as Corporate Agent.

Meeting of the long- term investment goals of the Company basically depend on a number of factors, which not only include fund availability and rate of return, but also inflation and taxes. The motive of the Company to hold the investments is to get returns out of the investments, which can be in any of the following manner:

1. Return on investments in the form of Dividend and/or interest;
2. For capital appreciation;
3. For other benefits.

#### **Chapter – V CLASSIFICATION OF INVESTMENT**

The Investments, that the Company will hold, will be treated as the assets of the Company held with the motive of earning income by way of dividend, interest, and / or for capital appreciation and / or for other benefits. The investments of the Company shall be classified into the following two categories:

1. **Current Investment:** The investments made by the Company which are intended to be held for not more than one year from the date on which such investment is made.
2. **Long Term Investment:** Investment intended to be held for more than one year from the date on which such investment is made

## **Chapter – VI**

### **TRANSFER OF INVESTMENT**

- a) Investments in securities shall be classified into Current and Long Term, at the time of making each investment;
- b) No inter-class transfer will be made on ad-hoc basis;
- c) The inter-class transfer, if warranted, shall be affected only at the beginning of each half year, (i.e. on 1st April or 1st October) with the approval of the Board of Directors;
- d) The Investments shall be transferred scrip-wise, from Current to Long term or vice-versa, at the Book Value or Market Value, whichever is lower;
- e) The depreciation, if any, in each scrip shall be fully provided for and the appreciation, if any, shall be ignored;
- f) The depreciation in one scrip shall not be set off against the appreciation in another scrip, at the time of such inter-class transfer.

## **Chapter – VII**

### **VALUATION**

#### **Valuation of Quoted Current Investment:**

The quoted current investments shall, for the purposes of valuation, be grouped in the following categories:

- A.
  - i) Equity Shares or any compulsory convertible instruments
  - ii) Preference Shares
- B.
  - i) Debentures and bonds
  - ii) Preference Shares
  - iii) Debentures and bonds
  - iv) Government Securities including treasury bills
  - v) Unit of Mutual Funds and
  - vi) Others

The quoted current investments for each category shall be valued at cost or market value, whichever is lower.

#### **For this purpose:**

- i) Investments in each category shall be considered scrip- wise and the Cost and Market value/Fair Value aggregated for all investments in each category.
- ii) If the aggregate market value for the category is less than the aggregate cost for that category, the net depreciation shall be provided for or charged to the Profit and Loss Account.
- iii) If the aggregate market value for the category exceeds the aggregate cost for the category, the net appreciation shall be ignored.
- iv) Depreciation in one category of investments shall not be set off against the appreciation in another category.

#### **Valuation of Un-quoted Current Investment:**

- a) Equity Shares: Unquoted equity shares in the nature of current investments shall be valued at Cost or Break-up value, whichever is lower. However, the Company may substitute Fair value for the Break-up value of the shares, if considered necessary. Where the balance sheet of the investee company is not available for two years, such shares shall be valued at One Rupee only.
- b) Preference Shares: Unquoted preference shares in the nature of current investments shall be valued at Cost or Face value, whichever is lower.

- c) Government Securities: Investments in unquoted Government Securities or Government guaranteed bonds shall be valued at Carrying cost.
- d) Mutual Funds: Unquoted investments in the units of Mutual funds in the nature of current investments shall be valued at the Net Asset Value declared by mutual fund in respect of each particular scheme.
- e) Commercial Papers: Commercial Papers shall be valued at Carrying cost.
- f) Debentures: Unquoted debentures shall be treated as term loans or other type of credit facilities depending upon the tenure of such debentures for the purpose of income recognition and asset classification.

**Valuation of Long-Term Investment:**

A long-term investment shall be valued in accordance with the Accounting Standard issued by ICAI and in adherence to the RBI - master directions applicable to the company (scale-based regulations).

**Chapter – VIII**

**INVESTMENT COMMITTEE**

The Company is having an Investment Committee for following activities:

1. Fixing criteria for classifying the investments into current and long term investments,
2. Investment of funds as per the policy guide lines,
3. Day to day monitoring of Investment portfolio,
4. Disposal of securities and realization of proceeds and revenue dues,
5. Accounting of the Securities transactions and reconciliation thereof,
6. Review of portfolio as and when required.

**Composition of the Committee**

The investment Committee shall consist of following directors as a member:

- |                           |   |                     |
|---------------------------|---|---------------------|
| 1. AYANAPARA PRADEEPMENON | - | Managing Director   |
| 2. PILAVAZHI SANTHAKUMARI | - | Whole-time Director |
| 3. RAJITHA VALAYANGAT     | - | Whole-time Director |
| 4. NIMESH C MOHAN         | - | Finance Manager     |

**Quorum:**

Any 2 (two) members will constitute the quorum.

**Powers of the Committee:**

The Board of Directors has delegated all the powers of Investment/Disinvestment decision within the limits specified as given below:

<b>Investment Limits</b>	<b>Sanctioning Authority</b>
up to 50 Lacs	Managing Director
above 50 Lacs to 1 Crore	Investment Committee
above 1 Crore	Board of Directors

The Investment Committee shall be fully authorized to invest the surplus funds of the company in any form of investment it considers to be beneficial to the company within the framework approved by the Board of Directors.

The committee shall meet as and when required depending on investment decisions. The committee will report to the board of directors on quarterly basis.

**Chapter– IX  
AMENDMENTS**

The Board may amend the provisions of this Policy from time to time. Unless otherwise specified, such amendments shall be effective from the date of the Board meeting at which such amendments are approved.

BY THE ORDER OF THE BOARD  
For Vikas Money Limited

Managing Director

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**CC:**

1. Legal Department
  2. Administration Department
  3. HR Department
- 

Dated this the 19<sup>th</sup> October, 2023

## Policy – Demand and Call Loan

In exercise of the powers of the board of directors conferred by the Articles of Association of the company and pursuant to the guidelines issued by the Reserve Bank of India, the board hereby notifies Policy on DEMAND/CALL LOAN.

<b>Policy Name</b>	POLICY ON DEMAND/CALL LOAN
<b>Issue and Effective date</b>	October 19, 2023 RBI/DoR/2023-24/106 DoR.FIN.REC. No.45/03.10.119/2023-24
<b>Periodicity of review</b>	Annual
<b>Owner / Contact</b>	Compliance
<b>Approver</b>	Board of Directors

RBI vide its Master Circular - Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 provides for that the Board of Directors of every non-banking financial company granting / intending to grant demand / call loans shall frame a policy for the company and implement the same.

Keeping the regulatory requirement in view, a policy on extending demand / call loans per se is detailed out as under:

1. Vikas Money Limited (the Company) will grant Demand/Call loans to the customers having good track record, financial soundness and/or good credit scores.
2. Demand / Call loans would be considered by the Company both under Secured loan as well as unsecured loan segments.
3. The Demand / Call loans can be considered under Personal Loans, business loans, inter-corporate deposits, trade advances, inventory funding, loans against shares & securities, etc.
4. Maximum period for a Demand / Call loan would be 12 months from the date of disbursement of such loan (i.e. the period within which the demand / call would be made for repayment- termed as stipulated period). For each case, such "stipulated period" needs to be decided and specified in the sanction memorandum / advice.
5. A Log of due dates for cut-off dates each of the Demand / Call loans to be maintained.



6. In case no Demand / Call is made prior to the expiry of stipulated period, then the loan shall be deemed to be called / demanded on such expiry date and shall be repaid accordingly.
7. Suitable clause empowering such demands / calls made for repayment would be incorporated in the loan agreement.
8. The mode and authority of making the demand or call for repayment of the loan would be as decided, documented and adhered to.
9. Demand / Call loans may be considered on fixed interest or fluctuating interest rate basis pegged to any anchor rate as may be agreed upon. Interest rate would be decided on case-to-case basis considering the prevailing market rate and such interest shall be payable quarterly or as per prevailing business practices.
10. The interest would be applied on monthly basis as done in other cases. Generally, the interest would be serviced on monthly basis. However, the interest may at the option of the Company collected on quarterly payment basis which shall be specified in the approval.
11. The sanctioning authority shall, record specific reasons in writing at the time of sanctioning demand or call loan, if no interest is stipulated or a moratorium is granted for any period.
12. The Company may monitor the end use of fund borrowed by the borrower.
13. All the demand / call loans having stipulated period beyond 6 months shall be subjected to review of performance at the end of 6 months.
14. At least 15 days prior to the end of the stipulated period, the loans would be reviewed to decide on whether demand / call should be made on due date or further renewal of the loan either in full or part to be considered for any period, not exceeding 12 months and the same shall be documented. In case the loan is renewed, then it should be considered as a new Demand / Call loan although the same may continue under same customer / loan account number. However, necessary renewal papers would be obtained.
15. In case the interest is not serviced on due date or the loan is not paid off after being called up / demanded, then the loan would be treated as non performing, if such overdue status continues for more than 3 months from such date and would be provided for according to the policy of the Company. The borrower wise NPA classification would also be applicable although no call / demand is made for any particular loan.
16. Maximum amount for each of the demand / call loan and the aggregate amount of the demand / call loan would be subjected to a periodical review, at least on an annual basis, by the Board.

17. The policy can altered / revised as per changed market scenario and /or statutory guidelines.
18. This policy should always be read in conjunction with RBI guidelines, directives and instructions.
19. The Company will apply best industry practices so long as such practice does not conflict with or violate RBI guidelines.

BY THE ORDER OF THE BOARD  
For Vikas Money Limited

Managing Director

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**CC:**

1. Legal Department
  2. Administration Department
  3. HR Department
- 

Dated this the 19<sup>th</sup> October, 2023



ദ റിസർവ് ബാങ്ക് - ഇൻ്റഗ്രേറ്റഡ് ഓംബുഡ്സ്മാൻ , 2021:
പ്രധാന സവിശേഷതകൾ
താഴെ പറയുന്ന നിയന്ത്രിത സ്ഥാപനങ്ങളിലെ കസ്റ്റമർമാരാണ് ഈ സ്കീമിൽ പെടുന്നത്
<ul style="list-style-type: none"> <li>• ഏത് ബാങ്കും</li> <li>• കോർ ഇൻവെസ്റ്റ്മെന്റ് കമ്പനി (CIC) അല്ലാത്ത ഏത് NBFC യും ഒരു ഇൻഫ്രാസ്ട്രക്ചർ ഡെവ്ലപ്മെന്റ് ഫണ്ട് ബാങ്കിംഗ് ഇതര ഫിനാൻഷ്യൽ കമ്പനി IDF-NBFC ഒരു ബാങ്കിംഗ് ഇതര ഫിനാൻഷ്യൽ കമ്പനി - ഇൻഫ്രാസ്ട്രക്ചർ ഫിനാൻഷ്യൽ കമ്പനി NBFC-IFC - തീർപ്പ് ആയതോ ഫിനാൻസ് കമ്പനി അടച്ചുപൂട്ടൽ / ലിക്വിഡേഷനിൽ ഉള്ളതോ ആയ കമ്പനി അല്ലെങ്കിൽ റിസർവ് ബാങ്ക് നിഷ്കർഷിച്ചതുപോലുള്ള മറ്റേതെങ്കിലും NBFC</li> <li>• 2007 ലെ പെയ്മെന്റ് ആന്റ് സെറ്റിൽമെന്റ് സിസ്റ്റത്തിൽ നിർവചിച്ചിരിക്കുന്ന പ്രകാരമുള്ള ഏതെങ്കിലും സിസ്റ്റം പാർട്ടിസിപ്പന്റ്</li> </ul>
കസ്റ്റമർമാർക്ക് ഒരു പരാതി ഫയൽ ചെയ്യാൻ കാരണങ്ങൾ
സേവനത്തിൽ അപര്യാപ്തത വരുത്തുന്നതിലേക്ക് വഴി തെളിക്കുന്ന, മുകളിൽ പ്രതിപാദിച്ചിരിക്കുന്ന നിയന്ത്രിത കമ്പനികളുടെ ഏതെങ്കിലും പ്രവൃത്തിയോ വിട്ടു പോകാലോ
ഒരു പരാതി കൈകാര്യം ചെയ്യാതിരിക്കാനുള്ള കാരണങ്ങൾ :
താഴെപ്പറയുന്ന കാര്യങ്ങളിൽ സേവനങ്ങളിലെ അപര്യാപ്തതയെക്കുറിച്ചുള്ള പരാതികൾ സ്കീമിനു കീഴിൽ വരുന്നില്ല.
<ul style="list-style-type: none"> <li>• ഒരു റെഗുലേറ്റഡ് / നിയന്ത്രിത സ്ഥാപനത്തിൻ്റെ കമേർഷ്യൽ വിധി / വാണിജ്യ വിധി / കമേർഷ്യൽ തീരുമാനം വാണിജ്യ തീരുമാനം</li> <li>• ഒരു കോൺട്രാക്ട് / ഉടമ്പടി ഔട്ട്സോഴ്സ് ചെയ്യുന്നതുമായി</li> </ul>

ബന്ധപ്പെട്ട ഒരു വെൻഡറും നിയന്ത്രിത സ്ഥാപനവും തമ്മിലുള്ള തർക്കം.
<ul style="list-style-type: none"> <li>• നേരിട്ട് ഓംബുഡ്സ്മാൻ നൽകുന്നതല്ലാത്ത പരാതി</li> </ul>
<ul style="list-style-type: none"> <li>• ഒരു നിയന്ത്രിത സ്ഥാപനത്തിന്റെ മാനേജ്മെന്റ് അല്ലെങ്കിൽ എക്സിക്യൂട്ടീവ്മാർക്ക് പരാതിയുള്ള പൊതു പരാതി</li> </ul>
<ul style="list-style-type: none"> <li>• ഒരു സ്റ്റാറ്റൂട്ടറി അല്ലെങ്കിൽ നിയമം നടപ്പിലാക്കുന്ന അധികാരിയുടെ ഉത്തരവുകലനുസരിച്ചു നിയന്ത്രിത സ്ഥാപനം തുടങ്ങിവെച്ച പ്രവർത്തനത്തിന്മേലുള്ള തർക്കം</li> </ul>
<ul style="list-style-type: none"> <li>• റിസർവ് ബങ്കിന്റെ നിയന്ത്രിത പരിധിക്കുള്ളിലല്ലാത്ത സേവനം</li> </ul>
<ul style="list-style-type: none"> <li>• നിയന്ത്രിത സ്ഥാപനങ്ങൾ തമ്മിലുള്ള തർക്കം</li> </ul>
<ul style="list-style-type: none"> <li>• ഒരു നിയന്ത്രിത സ്ഥാപനത്തിലെ ജീവനക്കാരും തൊഴിൽദാതാവും തമ്മിലുള്ള തർക്കം</li> </ul>
<b>ഒരു കസ്റ്റമർ പരാതി നൽകുന്നതെങ്ങനെ ?</b>
ബന്ധപ്പെട്ട NBFC ക്കുള്ള എഴുതി തയ്യാറാക്കിയ നിവേദനം
ഒരു മാസത്തിന്റെ അവസാനം
NBFC യിൽ നിന്നും മറുപടി ലഭിച്ചില്ലായെങ്കിൽ അല്ലെങ്കിൽ NBFC യുടെ മറുപടിയിൽ കസ്റ്റമർ തൃപ്തരല്ലെങ്കിൽ
<b>കസ്റ്റമർ ഒരു ഫോറത്തിനെയും സമീപിച്ചിട്ടില്ലെങ്കിൽ</b>
NBFC ഓംബുഡ്സ്മാന്റെ ഫയൽ പരാതി നൽകുന്നു (NBFC യിൽ നിന്നുള്ള മറുപടിക്കുശേഷം ഒരു വർഷത്തിനുള്ളിൽ)
<b>ഓംബുഡ്സ്മാൻ തീരുമാനമെടുക്കുന്നതെങ്ങനെ ?</b>
<ul style="list-style-type: none"> <li>• ഓംബുഡ്സ്മാന്റെ മുന്നിലുള്ള നടപടി ക്രമങ്ങൾ .....</li> </ul>
<ul style="list-style-type: none"> <li>• സമവായത്തിലൂടെയുള്ള തീർപ്പ് പ്രോത്സാഹിപ്പിക്കുന്നു. ഒത്തുതീർപ്പിലെത്തി ചെർന്നില്ലെങ്കിൽ അവാർഡ് / ഓർഡർ പുറപ്പെടുവിക്കും</li> </ul>
ഓംബുഡ്സ്മാന്റെ തീരുമാനത്തിൽ തൃപ്തിയില്ലെങ്കിൽ കസ്റ്റമർമാർക്ക്

<p><b>അപ്പീൽ പോകാമോ?</b></p> <p>അതെ, ഓംബുഡ്സ്മാന്റെ തീരുമാനത്തിൽ അപ്പീൽ പോകാമെങ്കിൽ അപ്പെലേറ്റ് അതോറിറ്റി / അധികാരി റിസർവ് ബാങ്കിലെ സ്കീം നടപ്പിലാക്കുന്ന വകുപ്പിന്റെ ചാർജുള്ള എക്സിക്യൂട്ടീവ് ഡയറക്ടർ</p>
<p><b>കുറിപ്പ്:</b></p> <ul style="list-style-type: none"> <li>• ഇത് പകരം വയ്ക്കാവുന്ന പരാതി പരിഹാര സംവിധാനമാണ്.</li> <li>• കസ്റ്റമർക്ക് ഏത് ഘട്ടത്തിലും പരാതി പരിഹാരത്തിനായി മറ്റേതൊരു കോടതിയും / ഫോറത്തെയും / അധികാരിയും സമീപിക്കാനുള്ള സ്വാതന്ത്ര്യമുണ്ട്</li> <li>• സ്കീമിനെക്കുറിച്ച് ചുറ്റുമുള്ള കൂടുതൽ വിവരങ്ങൾക്കായി <a href="http://www.rbi.org.in">www.rbi.org.in</a> റെഫർ ചെയ്യുക.</li> </ul>

## Policy On Loans and Advances To Directors and Senior Officers

S No	Contents
1	Introduction
2	Definitions
3	Regulatory Restrictions on Loans and Advances
4	Loans and advances to Real Estate Sector
5	Provisions of Companies Act, 2013
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## I. Introduction:

In compliance with the Regulatory Framework for NBFCs introduced by the Reserve Bank of India (RBI), a Master Circular was issued on Scale Based Regulation (SBR)- A Revised Regulatory Framework for NBFCs. The said circular apart from the other scale-based regulations provided for certain regulatory restriction on the loans extended by NBFCs to their directors, senior officers and relatives thereof. As per the said circular the company's categorized as NBFC- Middle Layer and accordingly the regulations as applicable for NBFC- Middle layer shall be complied with.

In accordance with the above the "Board of Directors" ("Board") of Vikas Money Limited ("the Company") has formulated a Policy on grant of loans to directors, senior officers and relatives of directors and to entities where directors or their relatives have major shareholding.

## II. Definitions

- (i). "Board of Directors" or "Board" means the Board of Directors of the company, as constituted from time to time. "Company" means Vikas Money Limited.
- (ii). "Managing Director" as per clause (54) of Section 2 of the Companies Act, 2013, means a director who, by virtue of the articles of a company or an agreement with the company or a resolution passed in its general meeting, or by its Board of Directors, is entrusted with substantial powers of management of the affairs of the company and includes a director occupying the position of managing director, by whatever name called.
- (iii). "Senior Officer" shall have the same meaning as assigned to "Senior Management" under Section 178 of the Companies Act, 2013 which shall mean personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.
- (iv). "Employee" means those employees who are on the payroll of the company.
- (v). "Control" as per Clause (27) of Section 2 of the Companies Act, 2013, shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting Individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner.
- (vi). "Relative" as per Clause (77) of Section 2 of the Companies Act, 2013, "relative", with reference to any person, means anyone who is related to another, if-
  - (a). they are members of a Hindu Undivided Family;
  - (b). they are husband and wife; or
  - (c). one person is related to the other in such manner as may be prescribed
  - (d). Major shareholder" shall mean a person holding 10 % or more of the paid-up share capital or five crore rupees in paid-up shares, whichever is lower.



### **III. Regulatory Restrictions on Loans and Advances Loans and advances to Directors**

Unless sanctioned by the Board of Directors, the Company shall not grant any loans and advances aggregating Rupees Five crores and above to —

- (1). its directors (including the Chairman/ Managing Director, if any) or relatives of the directors;
- (2). any firm in which any of the Directors of the Company or their relatives are interested as a partner, manager, employee or guarantor; and any company in which any of the Directors of the Company, or their relatives are interested as a major shareholder, director, manager, employee or guarantor.

Provided that Director or his/her relatives shall be deemed to be interested in a Company, being the subsidiary or holding company, if they are major shareholder or in control of the respective holding or subsidiary company.

Provided that the Director who is directly or indirectly concerned or interested in any proposal shall disclose the nature of their interest to the Board of Directors when any such proposal is discussed. Such interested directors shall recuse themselves from the meeting, subject to their presence being required by the other directors for the purpose of eliciting information and the Director so required to be present shall not vote on any such proposal.

The proposals for credit facilities of an amount being less than Rupees Five crore, to the borrowers shall be sanctioned by the Financial Advisory and Asset & Liability Management Committee (committee) of the Company under powers vested by board. All the proposals approved by the committee shall be reported to the Board of Directors on quarterly basis.

In case any of the committee members is interested in the proposal for grant of loan, he /she shall rescue himself/ herself from the discussion over the said agenda and the remaining members forming the quorum shall consider the proposal.

The terms and conditions for loans amounting to Rs.10 Lakhs or more are covered as annexure-B . Further, any credit facility below the amount of Rs. 10 Lakhs shall continue to be governed by the terms and conditions as covered in the Loan Policy of the company.

Further the committee may approve interest free salary advances up to 20% of annual salary / incentive payable to the Managing Director and the Senior officers. However, any such approval shall be subject to the limits of the committee and the grant of such assistance shall be reported to the Board on quarterly basis. Further no subsequent advances shall be allowed, until the settlement of the previous advances extended.

For the purpose of grant of loan to the directors or senior officials, as previously mentioned:

- (i) The Company shall obtain a declaration from the borrower giving details of the relationship of the borrower with the directors/ senior officers of the Company for loans and advances aggregating Rupees Five crore and above. The Company shall recall the loan if it comes to their knowledge that the borrower has given a false declaration.
- (ii) These guidelines shall be duly brought to the notice of all directors and placed before the NBFC board of directors.
- (iii) The Company shall disclose in its Annual Financial Statement, aggregate amount of such sanctioned loans and advances in the format as annexed (Annexure A) to this policy

The above norms shall equally apply to awarding of contracts to the directors their relatives or the senior officials.

#### **IV. Loans and advances to Real Estate Sector**

While appraising loan proposals involving real estate, the company shall ensure that the applicant has obtained prior permission from government/ local government/ other statutory authorities for the project, wherever required. To ensure that the loan approval process is not hampered on account of this, while the proposals may be sanctioned in normal course, the disbursements shall be made only after the borrower has obtained requisite clearances from the government / other statutory authorities.

For the purpose application of regulatory restrictions on grant of Loans and Advances above, the term 'loans and advances' will not include loans or advances against -

- a) Government securities
- b) Life insurance policies
- c) Fixed deposits
- d) Stocks and shares
- e) Any loans granted to an employee of the company under any scheme applicable generally to employees.

Provided that company's interest/lien is appropriately marked with legal enforceability.

## **V. Provisions of Companies Act, 2013**

The policy, in addition to the foregoing provisions, shall also cover the provisions of the Companies Act 2013 with regard to Loans & Advances to the Directors. In compliance with the provisions of Section 185 of the Companies Act, 2013, the company shall not either directly or indirectly, advance any loan, to any of its directors or to any other person in whom the director is interested or give any guarantee or provide any security in connection with any loan taken by him or such other person.

The expression —"to any other person in whom director is interested" shall mean and include :

- (a) any director of the lending company, or of a company which is its holding company or any partner or relative of any such director;
- (b) any firm in which any such director or relative is a partner;
- (c) any private company of which any such director is a director or member;
- (d) anybody corporate at a general meeting of which not less than twenty-five per cent. Of the total voting power may be exercised or controlled by any such director, or by two or more such directors, together; or
- (e) anybody corporate, the Board of directors, managing director or manager, whereof is accustomed to act in accordance with the directions or instructions of the Board, or of any director or directors, of the lending company.

However, giving of any loan to a Managing or Whole-time director:

- (i) as a part of the conditions of service extended by the company to all its employees; or
- (ii) pursuant to any scheme approved by the members by a special resolution shall be exempted.

**Annexure-A**

**Loans to Directors, Senior Officers and relatives of Directors**

**(In crore)**

	Current Year	Previous Year
Directors and their relatives		
Entities associated with directors and their relatives		
Senior Officers and their relatives		

**Terms and conditions**

**Loans amounting to Rs. 10.00 Lakhs or more to directors & Senior Officers and their relatives shall be granted as per the following terms and conditions.**

1. Purpose – as defined in the existing loan policy of the company duly approved by board of directors
2. Security –
  - (i). Third party guarantee / mortgaged property having means / value of proposal not less than 125% of loans.
  - (ii). Lien / Hypothecation on assets being financed.
  - (iii). Collaterals to be vetted by company's approved advocate & valuer if obtained.
3. Rate of Interest – The rate of interest chargeable from the director or Senior officers (including their relatives) shall be equal to the cost of funds (being the financial cost at which the funds are raised by the company) during the financial year previous to the year in which the loan is being given

**BY THE ORDER OF THE BOARD**

**For VIKAS MONEY LIMITED**

**MANAGING DIRECTOR**

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**CC:**

- 1. Legal Department**
  - 2. Administration Department**
  - 3. HR Department**
-

## Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to advances – RBI circular dated 12/11/2021

### Guidelines Applicable

RBI/DNBR/2016-17/44. Master Direction DNBR.PD.007/03.10.119/2016-17 dated September 01, 2016 [(Updated as on August 29, 2023\*) (Updated as on June 20, 2023\*) (Updated as on December 29, 2022\*) (Updated as on September 29, 2022\*) (Updated as on July 22, 2022\*) (Updated as on June 14, 2022\*) (Updated as on May 02, 2022\*) (Updated as on April 01, 2022\*) (Updated as on March 03, 2022\*) (Updated as on February 17, 2020\*) (Updated as on November 22, 2019\*) (Updated as on August 02, 2019\*) (Updated as on February 22, 2019\*) (Updated as on May 31, 2018\*) (Updated as on February 23, 2018\*) (Updated as on November 09, 2017\*) (Updated as on March 09, 2017\*) (Updated as on March 02, 2017\*) (Updated as on February 02, 2017\*) (Updated as on October 17, 2016\*)] & RBI/DoR/2023-24/106. DoR.FIN.REC. No.45/03.10.119/2023-24. October 19, 2024 (Updated as on October 10, 2024) (Updated as on March 21, 2024) (Updated as on November 10, 2023)

<b>Policy Name</b>	Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to advances
<b>Issue and Effective date</b>	RBI/2021-2022/125 DOR.STR.REC.68/21.04 .048/2021-22 - 12 <sup>th</sup> November, 2021
<b>Periodicity of review</b>	Annual
<b>Owner / Contact</b>	Compliance
<b>Approver</b>	Board of Directors

**RBI instructions on 'Prudential norms on Income Recognition, Asset Classification and Provisioning, pertaining to Advances dated 12th November 2021.**

With reference to the RBI circular no. RBI/2021-2022/125 DOR.STR.REC.68/21.04 .048/2021-22 on 'Prudential norms on Income Recognition, Asset Classification and Provisioning, pertaining to Advances — Clarifications' dated 12th November 2021, the following clarifications may kindly be noted.

**1. Clarification on 'Overdue'**

**An amount is to be treated as 'Overdue' if it is not paid on the due date fixed by the Company.**

**2. Classification as Special Mention Account (SMA) and Non-Performing Asset (NPA)** The

RBI circular DBR.No.BP.BC.45/21.04.048/2018-19 dated 7th June, 2019 on 'Prudential Framework for Resolution of Stressed Assets' requires the lenders to recognize incipient stress in borrower accounts, immediately on default, by classifying them as special mention accounts (SMA). It is clarified that the intervals are intended to be continuous and accordingly, the basis for classification of SMA categories shall be as follows:

<b>Loans other than revolving facilities</b>	
<b>SMA Sub-categories</b>	<b>Basis for classification — Principal or interest payment or any other amount wholly or partly overdue</b>
SMA-0	Up to 30 days
SMA-1	More than 30 days and up to 60 days
SMA-2	More than 60 days and up to 90 days

Accordingly, the date of SMA/NPA shall reflect the asset classification status of the loan account, at the day-end of that calendar date. An illustration of such classification is as follows:

<b>SMA Categories</b>	<b>Basis for classification — Principal or interest payment or any other amount wholly or partly overdue</b>	<b>If a customer takes a loan on 1st Jan 2021 and repayment is made without default till 1st Dec 2021 and subsequent repayments are not made. Then the loan will fall in</b>
SMA-0	Upto 30 days	SMA 0 on 1st Jan 2022
SMA-1	More than 30 days and upto 60 day	SMA 1 on 31st Jan 2022
SMA-2	More than 60 days and upto 90 days	SMA 2 on 2nd Mar 2022
NPA	More than 90 days	The loan will be treated as NPA upon running day-end process on 1st April 2022

Case (B) Gold Loan

<b>SMA Categories</b>	<b>Basis for classification – Principal or interest payment or any other amount wholly or partly overdue</b>	<b>A customer takes a loan on 1st Jan 2021 with maturity date as on 29th Jun 2021 (6-month scheme) and If the Principal or interest payment or any other amount wholly or partly overdue in such loan on 29th Jun 2021, then the loan will fall in</b>
SMA-0	Up to 30 days	SMA 0 on 29th Jun 2021
SMA-1	More than 30 days and up to 60 days	SMA 1 on 29th Jul 2021
SMA-2	More than 60 days and upto 90 days	SMA 2 on 28th Aug 2021
NPA	More than 90 days	The loan will be treated as NPA upon running day-end process on 27th Sept 2021

In the above context, it is further clarified that borrower accounts shall be flagged as overdue by the lending institutions as part of their day-end processes for the due date, irrespective of the time of running such process.

**3. NPA Classification in case of interest payments.**

In case of interest payments in respect of term loans, an account will be classified as NPA, if the interest applied at a specified date remains overdue for more than 90 days.

These instructions shall be effective from 31st March, 2022. Accordingly, in respect of any borrower account which becomes overdue on or after 31st March, 2022, its classification as NPA shall be based on the account being overdue for more than 90 days.

**4. Upgradation of accounts classified as NPAs**

In this regard, it is clarified that loan accounts classified as NPAs may be upgraded as 'Standard' asset only if entire arrears of interest and principal are paid by the borrower (applicable from October 1, 2022). Regarding upgradation of accounts classified as NPA due to restructuring, non-achievement of date of commencement of commercial operations (DCCO), etc., the instructions as specified for such cases shall continue to be applicable.

**BY THE ORDER OF THE BOARD  
For VIKAS MONEY LIMITED**

**Managing Director**



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**CC:**

- 1. Legal Department**
  - 2. Administration Department**
  - 3. HR Department**
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## Policy – Release of movable/immovable property documents

**In exercise of the powers of the board of directors conferred by the Articles of Association of the company and pursuant to the guidelines issued by the Reserve Bank of India, the board hereby notifies procedure for the release of movable/immovable property documents**

<b>Procedure Name</b>	RELEASE OF MOVABLE/IMMOVABLE PROPERTY DOCUMENTS
<b>Issue and Effective date</b>	October 19, 2023 RBI/DoR/2023-24/106 DoR.FIN.REC. No.45/03.10.119/2023-24
<b>Periodicity of review</b>	Annual
<b>Owner / Contact</b>	Compliance
<b>Approver</b>	Board of Directors

Regulation 45.5

Responsible Lending Conduct – Release of movable/immovable property documents on repayment/ settlement of personal loans.

### Procedure

Release of movable/immovable property documents

1. The customer has to contact the branch manager - For Obtaining final amount to be paid for the closure of loan account of the customer.
2. Payment of Money to the loan account.
3. Issue of account closure letter to the customer by the branch.
4. In case of Equitable Mortgage: the company has to apply for the removal of mortgage with the concern registry by executing release deed in favour of the customer.
5. In Un-registered Mortgage: the branch may make application to HO – Data Room for the release of the document within 24 hrs from the closure of loan account.
6. The administration department have to release the document and issue NOC to the customer with 3 days from the request.

7. The property shall be handed over to the customer within 5 days through branch outlet.
8. The acknowledgment letter shall be collected from the customer.

Compensation for delay in release of movable/immovable property documents

- i) In case of delay in releasing of original movable/immovable property documents or failing to file charge satisfaction form with relevant registry beyond 30 days after full repayment/ settlement of loan, The company shall communicate to the borrower reasons for such delay. In case where the delay is attributable to the company, it shall compensate the borrower at the rate of ₹5,000 for each day of delay.
- ii) In case of loss/damage to original movable/immovable property documents, either in part or in full, the company shall assist the borrower in obtaining duplicate/certified copies of the movable/immovable property documents and shall bear the associated costs, in addition to paying compensation as indicated at clause (ii) above. However, in such cases, an additional time of 30 days will be available to the company to complete this procedure and the delayed period penalty will be calculated thereafter (i.e., after a total period of 60 days).
- iii) The compensation provided under these directions shall be without prejudice to the rights of a borrower to get any other compensation as per any applicable law.

BY THE ORDER OF THE BOARD  
For Vikas Money Limited

Managing Director

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**CC:**

1. Legal Department
  2. Administration Department
  3. HR Department
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Dated this the 19<sup>th</sup> October, 2023

S No	Procedures to be followed	Turn Around Time (TAT)
1	The customer has to contact the branch manager - For Obtaining final amount to be paid for the closure of loan account of the customer.	T
2	Payment of Money to the loan account.	T+1
3	Issue of account closure letter to the customer by the branch	T+1
4	In case of Equitable Mortgage: the company has to apply for the removal of mortgage with the concern registry by executing release deed in favour of the customer.	T+10
5	In Un-registered Mortgage: the branch may make application to HO – Data Room for the release of the document within 24 hrs from the closure of loan account.	T+1
6	The administration department have to release the document and issue NOC to the customer with 3 days from the request.	T+3
7	The property shall be handed over to the customer within 5 days through branch outlet.	T+5
8	The acknowledgment letter shall be collected from the customer.	T+5
Total		20 days

## Policy – Penal Interest Charges

In exercise of the powers of the board of directors conferred by the Articles of Association of the company and pursuant to the guidelines issued by the Reserve Bank of India, the board hereby notifies Policy on penal charges – to be imposed by the company.

<b>Policy Name</b>	POLICY – PENAL INTEREST CHARGES
<b>Issue and Effective date</b>	October 19, 2023 RBI/DoR/2023-24/106 DoR.FIN.REC. No.45/03.10.119/2023-24
<b>Periodicity of review</b>	Annual
<b>Owner / Contact</b>	Compliance
<b>Approver</b>	Board of Directors

### Regulation 45.3

#### Penal charges in loan accounts

1. Levy of penal charges: The company may impose penalty for the non-compliance of material terms and conditions of loan contract by the borrower. The same shall be shall be treated as “penal charges”. The charges in form of “penal interest” shall be discontinued i.e. January 01, 2024.
2. There shall be no capitalisation of penal charges i.e., no further interest computed on such charges. However, this will not affect the normal procedures for compounding of interest in the loan account.
3. Any additional component to the rate of interest shall be disallowed.
4. The penal charges for the loan amount shall be levied in the following levels

Personal Loans - Equated Instalment- (EI) – basis, where the loan amount less than Rs. 1 Lacs and loan period less than 150 days.	Rs. 6/- per EI	
Personal Loans - Equated Instalment- (EI) – basis where the loan amount less than Rs. 1 Lacs and loan period less than 150 days.	Loan Amount	Penal Charges per EI
	Rs. <1 Lacs	Rs. 6/- per EI
	Rs. 1 to 2 Lacs	Rs. 12/-per EI
	Rs. 2 to 3 Lacs	Rs. 18/-per EI
Gold Loans	As mentioned in Gold Loan Agreement	

5. The penal charges in case of loans sanctioned to 'individual borrowers, for purposes other than business', shall not be higher than the penal charges to nonindividual borrowers for similar non-compliance of material terms and conditions.
6. The quantum and reason for penal charges shall be clearly disclosed by NBFCs to the customers in the loan agreement and most important terms & conditions/Key Fact Statement (KFS) as, in addition to being displayed on websites of NBFCs under Interest rates and Service Charges.
7. Whenever reminders for non-compliance of material terms and conditions of loan are sent to borrowers, the penal charges shall be communicated by means of SMS/E-mail/Messages. Further, any instance of levy of penal charges and the reason therefor shall also be communicated.
8. The instructions in paragraph 45.3 of master directions shall come into effect from January 1, 2024. NBFCs may carry out appropriate revisions in their policy framework and ensure implementation of the instructions in respect of all the fresh loans availed/renewed from the effective date. In the case of existing loans, the switchover to new penal charges regime shall be ensured on next review or renewal date or six months from the effective date of these instructions, whichever is earlier.

BY THE ORDER OF THE BOARD  
For Vikas Money Limited

Managing Director

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**CC:**

1. Legal Department
2. Administration Department
3. HR Department

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Dated this the 19<sup>th</sup> October, 2023

## Policy - Reset of EMI Based Floating Rate Personal Loan

In exercise of the powers of the board of directors conferred by the Articles of Association of the company and pursuant to the guidelines issued by the Reserve Bank of India, the board hereby notifies Policy on reset of EMI based floating rate personal loans.

### POLICY – RESET OF EMI BASED FLOATING RATE PERSONAL LOANS

<b>Policy Name</b>	POLICY – RESET OF EMI BASED FLOATING RATE PERSONAL LOANS
<b>Issue and Effective date</b>	October 19, 2023 RBI/DoR/2023-24/106 DoR.FIN.REC. No.45/03.10.119/2023-24
<b>Periodicity of review</b>	Annual
<b>Owner / Contact</b>	Compliance
<b>Approver</b>	Board of Directors

#### Regulation 45.6

#### Reset of floating interest rate on Equated Monthly Instalments (EMI) based personal loans

At the time of sanction of EMI based floating rate personal loans, NBFCs are required to take into account the repayment capacity of borrowers to ensure that adequate headroom/margin is available for elongation of tenor and/or increase in EMI, in the scenario of possible increase in the external benchmark rate during the tenor of the loan. However, in respect of EMI based floating rate personal loans, in the wake of rising interest rates, several consumer grievances related to elongation of loan tenor and/or increase in EMI amount, without proper communication with and/or consent of the borrowers have been received. In order to address these concerns, NBFCs are advised to put in place an appropriate policy framework meeting the following requirements for implementation and compliance:

The finance department of the company shall ensure the compliance of following areas while sanctioning EMI based floating rate personal loans

- a) Issue of Loan Sanction Letter: In sanction letter, the company shall clearly communicate to the borrowers about the possible impact of change in benchmark interest rate on the loan leading to changes in EMI and/or tenor or both.

Subsequently, any increase in the EMI/ tenor or both on account of the above shall be communicated to the borrower immediately through appropriate channels.

- b) Rest of Interest rates: the company shall provide the option to the borrowers to switch over to a fixed rate product. The application requires the approval of finance department of the company.
- c) The maximum numbers of switch over are limited to 2 during the tenor of the loan.

- d) The borrower shall have option
  - (i) To enhancement in EMI or elongation of tenor or for a combination of both options; and,
  - (ii) to prepay, either in part or in full, at any point during the tenor of the loan. Levy of foreclosure charges/ prepayment penalty shall be subject to extant instructions applicable to the opted loan product.
- e) All applicable charges for switching of loans from floating to fixed rate and any other service charges/ administrative costs incidental to the exercise of the above options shall be transparently disclosed in the sanction letter and also at the time of revision of such charges/ costs by the company from time to time.
- f) The company shall ensure that the elongation of tenor in case of floating rate loan does not result in negative amortisation.
- a) The company shall share/ make accessible to the borrowers, through appropriate channels, a statement at the end of each quarter which shall at the minimum, enumerate the principal and interest recovered till date, EMI amount, number of EMIs left and annualized rate of interest/Annual Percentage Rate (APR) for the entire tenor of the loan. The company shall ensure that the statements are simple and easily understood by the borrower.

BY THE ORDER OF THE BOARD  
For Vikas Money Limited

Managing Director

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**CC:**

- 1. Legal Department
- 2. Administration Department
- 3. HR Department

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Dated this the 19<sup>th</sup> October, 2023